

DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR 2016

HEARINGS
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED FOURTEENTH CONGRESS
FIRST SESSION

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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR 2016

THURSDAY, FEBRUARY 26, 2015.

FISCAL YEAR 2016 NAVY/MARINE CORPS BUDGET OVERVIEW

WITNESSES

**HON. RAY MABUS, SECRETARY, UNITED STATES NAVY
ADMIRAL JONATHAN W. GREENERT, CHIEF OF NAVAL OPERATIONS
GENERAL JOSEPH F. DUNFORD, COMMANDANT, UNITED STATES MA-
RINE CORPS**

OPENING STATEMENT OF CHAIRMAN FRELINGHUYSEN

Mr. FRELINGHUYSEN. This is a Navy-Marine sort of a day. We hear through the grapevine that a lot of other hearings have been canceled, so we want to thank you for making your way here. We fully expected you would be here, hell or high water.

The committee will come to order. This morning our subcommittee begins a series of Defense posture and budget hearings with our military services, our combatant commands and other major components of our Armed Forces. In this time of rapidly expanding threats to our national security our goal in these hearings in our fiscal year 2016 bill is to make sure that our soldiers, sailors marines, and airmen and their families have the resources they need to execute their assigned missions. At the same time in an era of constrained budgets, we must make every dollar count.

This morning we hold an open hearing on the budget request for the Department of the Navy. We welcome the leadership of the Navy and the Marine Corps, the Secretary of the Navy, Ray Mabus, thank you for being back with us. And for the last time testifying is the chief of Naval operations, Admiral Jonathan Greenert. Admiral, thank you for 40 years of service. Let us give him a round of applause.

It is also my pleasure to welcome back to the committee, although for the first time in his capacity as a Commandant of the Marine Corps, General Joe Dunford. Thank you, General, for being here as well. I am sure I speak for every member of our subcommittee in thanking you for your valuable service to our great Nation and for those you command. Of course, we recognize those who have paid the ultimate sacrifice, those who have been wounded that we continue to care about. We owe all of you and all of them a great debt.

Gentlemen, the business at hand is the President's fiscal year 2016 budget request. Unfortunately, the variable that will have the

biggest impact of your budget next year and for years to come is not actually part of this request. Unless there is a dramatic legislative change, the law of the land requires the Appropriations Committee to mark up bills this year to the level dictated by the Budget Control Act, the BCA. In the case of the Department of Defense, I expect our allocation to be approximately \$34 billion below the President's request. Since this is the first of our hearings, I am going to take a point of personal privilege to discuss some of my personal views and what I think are realities facing our Nation.

Today and over the next few weeks, the American people will be hearing a great deal about the so-called sequester, it is a concept born decades ago and only revived in recent years. While it sounds like a lot of procedural jargon to the taxpayers, the sequester will have serious ramifications for our troops and our national security. This is precisely why we will be hearing from our witnesses today and in the weeks to come about how an additional \$34 billion sequester cut next year will harm our defense capabilities in the era of expanding threats. And yet, the President is threatening to precipitate that very sequester by sending up a budget that ignores the law, the Budget Control Act, which we have to support.

For the record, I agree that the law needs to be modified to avoid dramatic, negative consequences to our ability to protect our homeland and to assure our mission around the world and our support for our allies. But let us also be very clear that the sequester alone is not the problem here. After all, the sequester did not create the existing security climate that reflects indecision, hesitation, or some call it ambivalence in our defense in foreign policy. The sequester did not create ISIS. That deprived barbaric force was brewed as a result of our premature withdrawal from Iraq. The sequester is not responsible for the over 200,000 deaths in Syria or millions of refugees throughout the Middle East. The sequester had nothing to do with the President's public declaration, the United States was no longer in what he called a war footing. The sequester did not prompt Vladimir Putin to ignite a new cold war and brutally violate the sovereignty of his neighbor, Ukraine. The sequester did not lead us to liberate Libya and turn our back while that country devolved into a dangerous breeding ground for terrorists. Sequester did not reduce our Navy to the smallest number of ships in recent memory nor create the oldest Air Force in its history, nor threaten to bring the Army's end strength down to pre-World War II levels.

I recognize that the sequester is a clear threat to our security. However, we are bound to follow the law until instructed otherwise. The President's request for the Navy is approximately \$13 billion above the level the Navy would be allocated under the BCA. So the Department will certainly have to bear a sizable portion of any reduction. So I need to say right up front that we all need to work extremely close together to ensure that the funding we are appropriating is sufficient to take care of our soldiers and marines and maintain your readiness at the highest possible level. But it bears repeating; barring some dramatic change in course, the committee will mark up the fiscal year 2016 bill that is in compliance with the BCA. Of course, we would like to have your input. With respect, I will advise you that we will cut the \$13 billion with you

or we will cut it without you, but we need to do the job that the law requires us to do. However, having said that, I remain concerned about the core of the Navy, I think all of us do, the ships and the shipbuilding program.

Mr. Secretary, you have told us in previous hearings that since you have been in your position, the Navy has awarded the largest number of ship construction contracts. May I say I think this committee more than the other body has been very generous in that regard because we think ships are important. While that is admirable, the stark reality is that your fleet size has fluctuated around 280 over the past several years, far short of your stated requirement of 304 ships. While the Navy continues to promise more ships in the outyears, those outyears always seem to slip further out.

A few years ago the Navy was projecting a fleet size of 313 ships in 2016. Last year, you predicted the Navy would reach and exceed your ship requirements some time in fiscal year 2019. This year you project you will achieve the illusive 304 ship fleet in 2020. For the welfare of our Nation's defense, we need to come to grips with the resources available to us and settle on the plan.

You have heard me say this before, when it comes to ships, numbers matter. In addition to the quality of ships, I am concerned about their capacity, I am concerned about their adaptabilities, I am concerned about the mix of ships. I think all of us are, submarines, surface combatants, amphibies, support ships and how they are operated and how they are maintained. More and more of your ships are not being operated by your sailors but by civilian mariners. In fact, even your newly minted fast frigates, the vessels formerly known as littoral combat ships don't deploy without two permanently assigned civilian contractors. The subcommittee also wants to hear your assessment of the conventional and unconventional threats posed by China, Russia and Iran.

Gentlemen, this former army draftee sees troubled waters ahead. Sequestration looms large over the Navy, and we owe it to our sailors, and marines, and citizens to develop the best solutions possible. I can promise you that our subcommittee will work hard alongside each of you to insure that our Navy and Marine Corps are ready and able to be where it matters when it matters.

I look forward to your comments and an informative question-and-answer session, your written testimony will be entered into the record, so feel free to summarize your statements this morning. Having said that, let me turn to my good friend, Mr. Visclosky, for any comments he may wish to make.

OPENING REMARKS OF MR. VISCLOSKY

Mr. VISCLOSKY. Thank you very much, Mr. Chairman. I appreciate your comments and because this is the first hearing of this cycle, I would simply offer a few remarks. I did not vote for the Budget Control Act, and it is very difficult to find anyone in this institution now who admits that they did, but we are living with the consequences of it. And I would offer the observation that I voted against the President's proposal for the use of force last year. I believe then and I believe today that there is a conflict within the administration—I am not suggesting that is your problem, the three gentlemen before us—as far as what our policy is in the Mid-

dle East and if we are going to ask people to sacrifice their lives, be injured and give the time of their life to this country, we ought to be very precise.

From my perspective looking ahead as far as our deliberations and the preparation of the budget which includes more than half of all discretionary spending in this country, Congress has the responsibility, and Congress has a role, and we have not met our responsibility. We have roads, as I like to explain to people in Indiana, that counties are allowing to revert back to gravel because there is not enough money to keep them paved in this country. We have to make an investment and we have to raise revenue, that is a failure. I often point out to my colleagues who complain about the budget that 73 percent of spending is mandatory and not under the jurisdiction of this committee. We have failed to deal with that responsibility to find savings on the entitlement side, specifically Social Security and Medicare. So from my perspective, is a huge bipartisan failure.

Given that failure of responsibility, and certainly the administration bears some brunt here too because they can speak with one voice as opposed to many disparate voices. We have a role to perform. And as the chairman rightfully pointed out, our role is to prepare legislation according to the law it is today. And I do not anticipate unfortunately that that is going to significantly change between now and October 1st. There is a degree of difficulty as we proceed with this budget and looking over what the administration has asked for and what we are going to mark to, and would hope that as we proceed, there are very close communications because the chairman, and I agree with him, acknowledges we are not investing enough in this Nation's defense, there is no question about that. We are now finding ourselves in a position where we have to govern according to the law as well, and that is going to increase our degree of difficulty.

I would simply also add my thank you to each of you for your service to this country as well as each one of those individuals you represent, both military and civilian for what they have done for this country. And also I do look forward to your testimony. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Visclosky, Mr. Secretary, the floor is yours, thank you for being here with us.

SUMMARY STATEMENT OF SECRETARY MABUS

Mr. MABUS. Chairman Frelinghuysen, Ranking Member Visclosky, members of this committee, thank you so much for the opportunity to discuss the Department of Navy together with the Chief of Naval Operations, Jon Greenert, Commandant of the Marine Corps, Joe Dunford. I have the great privilege of representing the sailors and marines who serve our Nation around the world, the civilians who support them, and all of their families.

As you pointed out, Mr. Chairman, this is Admiral Greenert's last posture testimony before this committee. He's been a steady hand on the helm of the Navy through the past 4 years of international instability and budget turbulence. Every day his judgment, his advice, his counsel have been critical. It is an honor to serve with him. He is going to leave a lasting impact on the Navy.

Today our security interest places an increasing array of threats and demands while our budget situation grows ever more challenging. It is clear that the Navy and Marine Corps team offer the best value to advance both our global security and our global economic interest. Uniquely, the Navy and Marine Corps provide presence around the globe, around the clock. We are the Nation's first line of defense, ready for any challenge that may come over the horizon. Presence means that we respond faster, we stay on station longer, we carry everything we need with us, and we do whatever missions are assigned by our Nation's leaders without needing anybody else's permission.

We have always known that America's success depends on an exceptional Navy and Marine Corps. Article I of our Constitution authorizes Congress to raise an Army when needed, but directs you to provide and maintain a Navy.

From the first six frigates to our growing fleet today, from Tripoli to Afghanistan, sailors and marines have proven the Founder's wisdom. American leaders across the political spectrum have understood the vital significance of sea power. We are truly America's away team. We deploy in peacetime just as much as in war, and our role over the last 70 years in securing sea lanes and freedom of commerce has boosted our own in the world's economy.

Nearly half the world's population lives within 100 miles of the sea, 90 percent of our global trade goes back to sea, and 95 percent of all data and voice goes under the ocean. The shelves of our stores are stocked with just-in-time delivered products from all over the world some 38 million American jobs are directly linked to seaborne international trade. For seven decades, the Navy and Marine Corps have been the primary protector of this system that has created unprecedented economic growth. While we have led this effort, we have worked with allies and partners increasing in our operability and establishing relationships that also help keep the peace. That is why our national defense strategy is so clearly focused on the maritime domain and requires investments in our maritime assets.

For the past few years, the Department of Navy has attempted to minimize the impact of an uncertain budgetary environment marked by numerous continuing resolutions, imposition of sequester-level funding and the threat of a current sequestration has been mentioned here before. This environment has made it more difficult, but even more critical to set priorities and to make some hard choices.

The presence of our Navy and Marine Corps uniquely deliver is built on four foundations, our people, our platforms, our power, or partnerships. These are the key to the capability, the capacity and the success of our Naval services, and they remain my top priorities.

Our sailors and marines are well-known for their ability to exercise independent judgment. The flexibility to adapt to changing circumstances and events. We remain committed to providing our sailors, marines and our civilians with the training and support they need to maintain a naval presence. And we include in this our injured, our wounded and all the dedicated families.

We have launched a comprehensive approach to ensure the world's healthiest, fittest, most resilient and best educated force, and a force that also truly represents America's diversity. We continue to aggressively combat sexual assault abuse, ethical failings, similar challenges. And we are exploring innovative ways to improve retention and recruitment, particularly in critical areas. Our people, as great as they are, can't do their job without platforms. Providing presence, being where we are needed, when we are needed, requires ships, submarines, aircraft, systems, vehicles and equipment.

I couldn't agree with you more, Mr. Chairman, quantity has a quality all its own. That means we have got to have a properly sized and balanced fleet. I have been over these numbers before, but think they bear repeating. On September 11, 2001, the Navy's battle force stood at 316 ships. By 2008, after one of the great military build-ups in our Nation's history, our fleet declined to 278 ships. Our focus on two ground wars only partly explains that decline. In the 5 years before I became Secretary, the Navy contracted for only 27 ships, not enough to stop the slide and the size of the fleet. In my first 5 years, we have contracted for 70 ships, reversing and halting that decline. And as you stated, by the end of decade, our fleet will be at 304 ships. We have accomplished this with a direct and fundamental business approach, increased competition, relying on fixed price contracts, and thanks to this committee's and Congress's help a multiyear and en bloc buying, but budget instability, budget uncertainty, seriously erode our ability to grow the fleet, manage our resources and maintain the industrial base.

Without a correctly sized and shaped fleet, the Navy Marine Corps will not be able to meet the demand for the kinds of missions for which the Navy and Marine Corps are the best and often the only option. In the face of this budgetary uncertainty, cutting ships is among the most damaging and least reversible course of action, which is why I am committed to preserving shipbuilding.

Fueling the ships, aircraft, vehicles of our Navy and Marine Corps is a vital operational concern and enables a global presence necessary to keep the Nation secure. That is why the Navy has a history of innovation, especially in energy, moving from sail, to steam, to oil, and pioneering nuclear. The fuels market has seen an incredible price volatility in the last 6 years. New domestic sources are reducing our reliance on foreign oil, but can't stop the wild price swings. At the same time, the competition for power, and energy, and the ability to use fuel as a weapon remains an international security issue.

In all cases, we believe our national security interest and the ability of the Navy and Marine Corps to meet its missions must be enhanced by increasing our energy diversity and efficiency. Our ability to maintain presence and advanced global security will also be augmented through partnerships, cooperation helps make us more effective. It diffuses tensions and reduces misunderstandings.

Again and again, Naval forces have proven themselves most immediate, the most capable, the most adaptable option when a crisis develops. Overall, the fiscal year 2016 presence budget balances current readiness needed to execute our assigned missions of sus-

taining a highly capable fleet all within a tough fiscal climate. That climate demands our most rigorous examination of every dollar we spent in continuing our aggressive efforts to cut unnecessary costs in every program and shift our resources from tail to tooth.

When America is called, the Navy and Marine Corps has always answered. In order to ensure that we continue to supply the Naval force our Nation's leaders and the American people expect, the Commandant and Chief of Naval Operations and I look forward to answering your questions. And we look forward to working together with this committee and the Congress to maintain our great Navy and Marine Corps, because in the words of the President Theodore Roosevelt, a great Navy is not a provocation of war, it is the surest guarantee of peace.

Mr. FRELINGHUYSEN. Thank you, Mr. Secretary.

[The written statement of Secretary Mabius follows:]

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HOUSE SUBCOMMITTEE ON DEFENSE,
COMMITTEE ON APPROPRIATIONS

STATEMENT OF
THE HONORABLE RAY MABUS
SECRETARY OF THE NAVY
BEFORE THE
HOUSE SUBCOMMITTEE ON DEFENSE, COMMITTEE ON APPROPRIATIONS
ON
26 FEBRUARY 2015

NOT FOR PUBLICATION UNTIL
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HOUSE SUBCOMMITTEE ON DEFENSE,
COMMITTEE ON APPROPRIATIONS

MARITIME PRESENCE IS CRITICAL IN TODAY'S WORLD

Chairman Frelinghuysen and Ranking Member Visclosky, members of the Committee, thank you for affording this opportunity to discuss readiness and posture of the Department of the Navy. With Chief of Naval Operations Jonathan Greenert and Commandant of the Marine Corps Joseph Dunford, I have the great privilege of representing the Sailors and Marines who serve our nation around the world, the civilians who support them and all of their families.

I cannot let it pass without noting that this will be Admiral Greenert's last posture testimony before this committee. He has been a steady hand on the helm for the U.S. Navy through the past four years of international instability and budget turbulence. Every day his judgment, his advice and his counsel have been critical. He has been a great CNO, and it has been an honor to serve with him. He will leave an enduring legacy of having advanced the interests and capabilities of our Navy and our Department, and I know this committee and our country want to share in offering our heartfelt thanks.

This statement, together with those provided by General Dunford and Admiral Greenert, presents to you and to the American people, an overview of the Department of the Navy, and highlights our priorities as we move forward with the FY16 budget process. As the Secretary of the Navy, I am responsible for recruiting, training, and equipping the almost 900,000 Sailors, Marines, and civilians who spend every day working to defend the American people and our national interests.

This opportunity to review our current posture comes at a particularly critical juncture in our nation's history. Our national security interests face an increasing array of threats and demands around the globe, even as our fiscal and budgetary situation grows more challenging. However, this is an opportune moment as well, as I firmly believe the threats and demands are best met with a strong and comprehensive maritime response. Similarly, I believe naval assets offer not only the best value to preserve our national security by advancing our global interests, but also the best value in supporting our own and the world's economy to help meet our fiscal challenges. The rationale for that belief is as simple as it is enduring.

The Value of Presence

Uniquely, the United States Navy and the United States Marine Corps provide presence around the globe, around the clock. We are the nation's first line of defense, ready for any challenge that might come over the horizon. Presence means we respond faster, we remain on station longer, we carry everything we need with us, and we carry out the missions assigned by our national leaders without needing anyone else's permission.

America's leadership role in the world is due in large part to our nation's sea services capability and capacity to ensure stability, build on our relationships with allies and partners, deter adversaries, prevent wars, and provide our nation's leaders with options in times of crisis. And, should those measures fail, the combat power necessary to fight and win in any sort of conflict. As America's away team, performing most often far from home, the operational tempo of the Navy and Marine Corps are – unlike our sister services – little different in times of peace or in times of conflict. There are no permanent homecomings for Sailors and Marines because we are never a garrison force.

Born a maritime nation, we have known throughout our 239 years that for America to succeed, we must have an exceptional Navy and Marine Corps. Thomas Paine famously declared in *Common Sense* in 1776 that “the cause of America is in a great measure the cause of all mankind.” He was equally adamant that the defense of liberty required a capable naval force. More than just physical security and defense from European powers, Paine drew direct connections between the Navy and the economic success of the American experiment.

Our nation’s founders, whether northern merchants and lawyers like John Adams or southern planters like Thomas Jefferson, also considered a Navy critical to our nation’s success. Article One of our Constitution grants Congress the power to “raise” an Army when needed, but directs Congress to “provide and maintain a Navy.” Over the past two centuries, American leaders from across the political spectrum have hewed to that Constitutional direction and have, in a nonpartisan fashion, promoted the vital significance of sea power. And over the past two centuries, from Tripoli to Iwo Jima to Tripoli, from the first six frigates to the Great White Fleet to the great fleets of World War II, our Navy and Marine Corps have protected and advanced American interests, stability and freedom around the world.

Today, the value and importance of our naval assets to security and stability here at home and around the world has never been greater. Nearly half the world’s population lives less than 60 miles from the sea. With ninety percent of global trade carried by sea, even those who live in landlocked states are dependent on the world’s oceans. In these days of an internet-connected world, 95% of all the voice and data goes under the ocean through cables, including the data keeping the world’s financial system running.

We live in an age of globalization and worldwide trade. The shelves of stores of every variety are stocked through “just in time” delivery with products from all over the globe. Estimates show that a single major port facility in the U.S. impacts more than a million American jobs and contributes about a billion dollars a day to our nation’s economic productivity. Overall, some 38 million American jobs are directly linked to seaborne international trade.

The security and stability of the international system of trade and finance is tied irrevocably to the free movement of goods and data across and under the sea, and is more than just a military concern. It impacts potentially every American in the prices we pay for goods and services and in the very availability of those goods and services. While it is far away and out of sight to most Americans, our naval presence around the world isn’t a theoretical construct.

For seven decades, the United States Navy and Marine Corps have been the primary protector of this international system. There is a sound basis in the proposition that rising international prosperity is directly linked to the United States Navy. We have kept the sea-lanes open. We have kept freedom of navigation open for anybody engaged in peaceful and legitimate trade. As the President has said, we have “been the anchor of global security.”

We benefit from this enormously economically, but we also benefit from the way that shared economic success helps to limit conflict and war. Around the world, high unemployment, stagnant economies, financial struggles often lead to social disorder, political unrest, upheaval, and outright conflict. Maritime instability contributes to these problems, stoking the fires- as can increasing competition for scarce resources. By helping to secure the world’s maritime

commons, by providing a calming presence, and by responding to crises early to limit their escalation and enhance diplomatic opportunities, the ability of the U.S. Navy and Marine Corps to be where it matters when it matters is vital to international stability. That is why our national defense strategy is so clearly focused on the maritime domain and requires investment in maritime assets.

Around the Globe, Around the Clock

The best illustration of the extent and impact of the presence provided by our nation's sea services can be seen in just a single day of operations. I've chosen July 26th not because it was especially important, but because it was reasonably typical. On that day, I was on a trip around the world, visiting Sailors and Marines and meeting with some of our international partners. In my nearly six years as Secretary, I've traveled to 131 countries and territories and traveled nearly one million air miles. I believe I can do my job better by actually seeing and talking with the men and women who serve our nation where they are serving, and by meeting face-to-face with representatives of other countries, and not just sitting behind a desk in Washington.

My trip last July began in Hawaii, observing activities and operations in the world's largest maritime exercise, Rim of the Pacific (RIMPAC), which included the navies of 22 nations, including allies from the region, like Japan and Australia and South Korea, but also valued NATO allies like Norway, which sent a warship all the way from the Baltic Sea to join the exercises. For the first time it also involved ships from the People's Republic of China's Navy. During the exercise, these diverse forces worked together on everything from search and rescue and humanitarian missions to practicing counter-piracy tactics and maritime security missions.

As I flew onward to Tokyo to meet with Japanese leaders, an annual exercise, MALABAR, was just beginning in the Indian Ocean. This bilateral U.S. - Indian naval exercise, which has grown in scope and complexity since its first iteration, has fostered mutual understanding with our Indian counterparts and enhanced our ability to operate with one another in a wide range of missions. This year, the Maritime Self-Defense Force from Japan joined the exercise in an important demonstration of multilateral cooperation between Pacific and Indian Ocean nations. The relationship between the nations of the Pacific and the Indian Oceans will continue to be critical in these important maritime regions.

On the same day, in Afghanistan, our Marines were increasing training of Afghan security forces, working toward turning over operational responsibilities to them, as the Marines reduced their direct combat mission. On that day, we had more than 5,000 Marines and Sailors in the country, patrolling, training, and working with our Afghan partners and NATO allies.

At the same time, our Marine Corps Black Sea Rotational Force was involved in PLATINUM LION, a series of exercises with our Romanian, Bulgarian, and Serbian partners, taking place in Bulgaria. Working with these NATO allies and friends from Eastern Europe, this exercise is an important annual event in the Black Sea region to build the capacity and capability of our partners and to promote peace and stability in an area that has been in turmoil for the past several years. Our Marine Corps Black Sea Rotational Force regularly deploys throughout Europe, training with other forces, monitoring security developments, and enhancing our ability to operate with our partners and allies in future contingencies.

On July 26 the U.S. Embassy in Tripoli was evacuated as the fighting in Libya intensified and the State Department decided U.S. personnel were no longer safe at the Mission. The Marines of the Special Purpose Marine Air Ground Task Force-Crisis Response, in support of U.S. Africa Command, helped coordinate the evacuation and escorted the vehicles that carried our diplomatic and military personnel to safety in Tunisia. This kind of operation, reacting to threats and problems as they develop, is the very reason our Navy and Marine Corps are forward deployed, and must be forward deployed to effectively give our leaders options.

On that day about half of our Navy's ships and submarines were at sea, with 99 of our ships forward deployed and another 41 training near our shores. Tens of thousands of Sailors and 36,000 Marines were away from their homes, far from friends and family, forward deployed around the world, serving in both combat and cooperation missions.

That was just one day last July. Each of these exercises on the world's oceans, training events, security cooperation engagements with friends and allies, combat operations in Afghanistan and contingency operations in North Africa, continued to build and strengthen our partnerships and alliances to help protect Americans and secure the global system.

For 365 days per year, the Navy and Marine Corps operate across the planet. When strikes against ISIL targets in Iraq and Syria were ordered, Navy ships and aircraft were quickly in range and launched operations. In fact, for the first 54 days, FA-18s off USS George H.W. Bush were the lone strike component. When the President decided to employ military assets to support the fight against Ebola in West Africa, V-22s and Marines from our Special Purpose Marine Air

Ground Task Force-Crisis Response were on the ground within hours to provide logistical support to the medical responders.

Our nation's Defense Strategic Guidance is clearly a maritime-centric strategy focused on the Asia Pacific, on the Arabian Gulf, on building partnerships, all while maintaining our presence around the globe. To fulfill our role in this strategy the Navy and Marine Corps face daily demands ranging from humanitarian assistance and disaster relief, to protecting our embassies, to working with scores of partners and allies, to dealing with multiple asymmetric threats and potential conflicts. The Navy and Marine Corps meet these demands, and many more, using the same people and the same platforms and equipment demonstrating the versatility and flexibility that is the hallmark of this force.

For the past few years we at the Department of the Navy have attempted to minimize the impact of an uncertain budgetary environment, marked by numerous continuing resolutions, the imposition of sequester-level funding and the threat of the return of sequestration. That environment has made it more difficult, but even more critical, to set priorities to make hard choices and to find opportunities to improve our stewardship of taxpayer dollars.

Almost six years ago, when I was preparing for my confirmation hearing to be Secretary and began closely examining the challenges our Navy and Marine Corps faced, it became clear to me there are four areas that demand our attention in order to provide and maintain the presence our Navy and Marine Corps uniquely deliver. Those four areas are People, Platforms, Power and Partnerships. Those have been, and continue to be, the key factors in assuring the capability,

capacity and success of our naval services, and that is why they have been, and will remain, my top priorities.

People – Our True Advantage

It is one of the great maxims of naval history that Sailors and Marines are the sea services' greatest advantage and most important asset. In the U.S. Navy and Marine Corps, we have the best people in the world. Our Sailors and Marines are well known for the ability to exercise independent judgment, to flexibly adapt to changing circumstances or environments that were unanticipated at the start of a deployment, but for which their training has fully prepared them. Perhaps less well known is how far down the chain of command we devolve critical responsibility. Aboard USS Ronald Reagan in the weeks after the earthquake and tsunami that ravaged Japan, I was surrounded by flag officers, but the briefing on relief operations I received came from a Third Class Petty Officer and a Lieutenant Junior Grade because they had been instrumental not just in executing, but also in designing, the effort.

Providing our Sailors, Marines and civilian workforce the training to deal with the uncertainties they will certainly face and providing the support that they need to do their jobs is one of our most important responsibilities. This also extends to helping their dedicated families and ensuring we support our wounded or injured veterans.

Three years ago, we introduced the 21st Century Sailor and Marine Initiative, to provide a more coordinated and comprehensive approach to assuring we have the healthiest, fittest, most resilient, and best educated force in the world. The goal is to help our Sailors and Marines maximize their personal and professional readiness, and to assist them and their families with the

mental, physical and emotional challenges of military service. It eliminated the stovepipes that existed between many of the programs designed to support our people and helps us address issues like suicide, sexual assault, and alcohol related incidents in a comprehensive way that protects our Sailors and Marines and makes them stronger. A fleet full of successful Sailors will ensure a successful Navy, and a force full of successful Marines will ensure a successful Marine Corps.

We are looking to expand the initiative by exploring new ways to improve the fitness of our force. We are reassessing our physical fitness requirements to make them more relevant to warfighting and to instill a “culture of fitness” instead of just training for a physical fitness test. This means reviewing nutritional standards, making efforts to reduce stress, and improving health care and support networks to deal with issues like suicide and abuse. We are also working hard across these areas to curb the all-too-common factor of alcohol-related incidents, which can end careers and, tragically, sometimes lives. Available data shows that the number of these damaging incidents has trended downward. To ensure we maintain that trend, we are using media and education campaigns, directed actions against the irresponsible use of alcohol like continuing to place reasonable limits on where and when alcohol is sold on base, and the continued use of the alcohol detection program implemented in 2013.

Sexual assault and harassment remains a challenge that we are responding to aggressively. In the past several years we have taken numerous steps to address it. These include widespread training like our bystander intervention program, increased use of interactive means, victim support programs like the Victim’s Legal Counsel, and new investigative resources. Combined with much more direct leadership engagement, evidence suggests that these efforts are

improving the confidence of Sailors and Marines in the system and their belief that reports will be taken seriously. Because of this increased trust in their chain of command, we have seen survivors coming forward in larger numbers and also, increasingly, reporting incidents that took place earlier than the year it is being reported. This large increase in reports, especially since 2012 when many programs began to mature, is what we anticipated seeing if our efforts were successful, since they would represent increased confidence in the system. We are turning more attention to the risk of retaliation, especially by peers, as this issue has increased in prominence in our surveys. Our interactive education programs are having a measurable impact, and we will continue to develop and deploy those. Sexual assault is an “insider threat” with devastating impacts on the Navy and Marine Corps. We’ve done myriad things to attack this insidious threat, but, no matter how much we’ve done, there is more to do until we’ve eliminated the scourge of sexual assault.

Vice Admiral James Calvert, who earned two Silver Stars as a submariner in World War II, once wrote that “as important as ships are, naval history is made by men.” I would make one change to that statement: today naval history is made by men and women. From the appointment of Admiral Michelle Howard as the Vice Chief of Naval Operations, to our work expanding roles and missions open to women to the maximum extent possible, we are leading the military in our quest to ensure we’re using our best and most talented service members across the force. We will continue our efforts to recruit and retain a diverse force, including a more representative number of women. A more diverse force is a stronger force.

For several years now, female officers have had the opportunity to serve on our ballistic and guided-missile submarines, and they have performed exceptionally well, as anticipated, earning

their qualifications and opening a new path. We are expanding opportunities for them. USS Minnesota and USS Virginia, both fast attack submarines, are leading the integration of women into the rest of the submarine force at this moment. In January, the Navy also announced a plan and a set of milestones for fully including enlisted women on submarines that will begin next year.

Women have also been integrated into the Coastal and Riverine Squadrons and have deployed. We have also opened 348 billets for Navy positions that support Marine Corps units. The Marine Corps continues on pace with their study of the positions that are currently closed to women and will have results later this year. In accordance with the Secretary of Defense's guidance, the default position will be that all currently closed positions will be opened to the assignment of women unless an exception is formally requested.

Talent is best cultivated by promoting and advancing our Sailors and Marines on merit and competition. It also requires us to maximize their opportunities to broaden their experience and exposure to new ways of doing things. We have to look at things like moving away from year group management for our officers and expansion of the Career Intermission Program (CIP), as well as other reforms and adjustments within our current system. While a number of our initiatives can be undertaken within our current authorities, there are some that will require adjustments to the law, including changes to the Defense Officer Personnel Management Act (DOPMA), which is almost four decades old. We have made legislative proposals in this area, and we ask for your help in bringing our personnel system into the 21st century.

Maintaining our presence around the world is hard on our force. That is one of the reasons why in 2014 we began the implementation of the Optimized Fleet Response Plan (OFRP). This is a program that Navy is using to schedule and plan our deployments and the maintenance of our platforms. Over the course of the past 13 years of war, one of the biggest challenges for our Sailors and Marines has been predictability in their deployments. The goal of OFRP is to return some amount of scheduling to their lives. Missing holidays, birthdays, and other significant family events is hard enough, but not knowing when it will happen makes things even more difficult. There is no way to completely eliminate the unexpected. Events around the world can, and do, take on a life of their own, and our men and women know this. Increasing the predictability of deployments will help with the stress on our Sailors and Marines and their families and also has the added benefit of helping us properly support our maintenance requirements and readiness posture.

There will be times when a crisis erupts somewhere in the world and our Sailors and Marines remain deployed in order to deal with it. The world gets a vote. For the past several years we have had a number of ships and units remain at sea far beyond the normal deployment length. In order to help our Sailors and Marines and their families during these extended deployments, we've implemented the Hardship Duty Pay – Tempo (HDP-T) program. When operational tempo is high and a deployment extends beyond more than 220 consecutive days, this pro-rated additional payment kicks in. This is an effort to show our Sailors and Marines we understand the difficulty these extended deployments create for them and their families and to show them, in a tangible way, the gratitude of the Department of the Navy and the American people.

Those Sailors and Marines on sea duty, deployed away from home around the world, are the backbone of the Navy and Marine Corps, and they enable us to provide and maintain our global presence. Despite the challenges involved, we need to ensure our men and women are incentivized to take on sea-going assignments. This past year we increased Career Sea Pay for those who have spent a total of three years at sea in order to both improve critical sea-duty manning and reward those who take these challenging sea-going assignments. We also increased Career Sea Pay - Premium, which recognizes Sailors and Marines who spend more than 36 consecutive months in sea-going positions or who have spent a cumulative eight years at sea during their career. These increases are long overdue since they were last adjusted in 2001.

The Reserve Component continues to be a vital part of the Navy and Marine Corps Team. In FY-14 we mobilized 2,700 individual Reserve Sailors and Marines to support operations around the world. As the force level shifts in Afghanistan, our Reserve Component will be taking on the vast majority of the individual augment requirements requested by the joint force. This allows us to focus our active component on filling critical sea billets to help ensure fleet wholeness and readiness. Reserve Sailors and Marines are deployed globally, and we will continue to maintain a Reserve that is ready, relevant, and responsive to the nation's needs.

Attracting and retaining our talent is critical to maintaining our innovative and adaptive force. An important part of that involves the challenge of military compensation. Cooperation between Congress and the Department of Defense on this issue will be vital as we look at slowing the growth rate of our personnel costs. We must keep the faith with the men and women who are in uniform. And we must look for the right ways to build incentives and retain our most talented

people. But we also must recognize that growth in pay and benefits must be contained or we will not be able to provide our Sailors and Marines with the training and equipment that they need.

Our civilian workforce is also vital to the success of the Department of the Navy. They help design our ships, aircraft, and equipment and are critical enablers of our forces. Without them, we literally would not have a fleet to put to sea. And we could not operate ashore at our bases across the globe. Over the past few years our civilian workforce has persevered through some very trying times. From pay freezes, to hiring freezes, and the huge, negative impact of furloughs, they have shown an immense amount of dedication to our Navy, Marine Corps, and our nation. In 2013 twelve of our civilians were killed, and others injured in visible and invisible ways, in the attack on the Washington Navy Yard. There is no more tragic example of how our civilians share the burden with those in uniform. We continue to support the victims and the families who endured this tragic attack and have implemented numerous security measures to improve the safety of our workforce.

This committed and patriotic workforce is the foundation of how the Department of the Navy operates. In order to ensure we have the most capable people, in the right positions, we run a number of leadership development programs. Annually we select participants for senior leader, executive leader, and developing leader programs to provide education and training that will help our people tackle the issues we face.

Platforms – America’s Fleet

The hard truth of providing the presence the American people and our nation’s leaders expect is that it requires platforms. To be where we are needed, when we are needed, we must have the

ships, submarines, aircraft, vehicles, and equipment for our Sailors and Marines to operate. That means we must have a properly sized fleet. Quantity has a quality all its own.

Recently much has been said in many venues about the size of our fleet. The completely wrong assertion is made over and over that our fleet is shrinking. Let me state this very clearly: our fleet is growing and will number greater than 300 ships before the end of this decade.

It is absolutely true that our fleet shrank dramatically between 2001 and 2008. On September 11, 2001, the Navy's battle force stood at 316 ships. But, by 2008, after one of the great military buildups in American history, our fleet had declined to 278 ships.

Part of the reason for that was understandable: our focus was on two ground wars. But, frankly, it cannot all be attributed to that. In the five years before I took office as Secretary, the Navy only contracted for 27 ships, far too few to maintain the size of the fleet, much less grow it. In my first five years as Secretary, we contracted for 70 ships. We have halted and reversed the decline.

And we haven't done this at the cost of naval aviation. During my time in office we have bought 1,300 aircraft. That is 40 percent more than the Navy and Marine Corps bought in the 5 years before this administration took office.

We have done this both in ships and aircraft by taking some direct and basic actions including: block buys and multi-year procurements; increased competition; stable designs and mature technologies; targeted reviews; pursuing cross-program common-equipment buys; and

affordability through hard but fair bargaining. In addition, we have: supported shipyard facility improvements and optimal-build plans; conducted rigorous “should cost” studies; designed equipment for affordability and modularity; instituted strict controls to fight “requirements creep;” used open-architecture systems to the maximum extent possible; and signed shipbuilding capability preservation agreements resulting in more competitive shipyards and lower costs for the Navy.

The amphibious and auxiliary ships industrial base is of concern to us and is at risk should future funding levels be reduced. We have recently introduced an integrated acquisition strategy for LHA 8, T-AO(X), and LX(R) to support stability and competition within this sector of the industrial base. The strategy will help ensure the ships are built affordably, while providing the greatest degree of stability for the industrial base.

There are a number of references previously to the industrial base. A healthy design and production industrial base is critical to achieving what is needed for our fleet in ships, aircraft, weapons and all procurements. Stability and predictability are critical to the health and sustainment of this industrial base.

This is especially true in shipbuilding. Changes in ship-build plans are significant because of the long lead time, specialized skills, and extent of integration needed to build military ships. Each ship is a significant fraction of not only the Navy’s shipbuilding budget but also industry’s workload and regional employment. Consequently, the timing of ship procurements is a critical matter to the health of American shipbuilding industries, and has economic impacts at the local, regional and national levels.

It is important, therefore, to provide stability and predictability to the industrial base to maintain our ability to continue to build the future fleet. In the overall picture, we should not pay for one Navy ship by cutting another Navy ship; each ship is crucial in many, many ways.

The Department's shipbuilding plan continues to build the balanced force we require. This year we have requested funding for nine new ships as well as for the refueling of the carrier USS George Washington. We also plan to modernize 11 cruisers, which are our most capable ships for controlling the air defense of a carrier strike group. The Navy's cruiser modernization plan, in accordance with FY 2015 Congressional direction, will allow the Navy to reduce overall funding requirements while most efficiently increasing the capability and extending the service life of these large surface combatants.

Our efforts to maintain and affordably procure our fleet's ships and submarines have continued through this past year. The Department has established a steady state Ford Class procurement plan designed to deliver each new ship in close alignment with the Nimitz Class ship it replaces. CVN 78 (future USS Ford) cost performance has remained stable since 2011 and under the Congressional cost cap. We are also committed to driving down and stabilizing aircraft carrier construction costs for the future John F. Kennedy (CVN 79) and the future Enterprise (CVN 80) and have made significant progress in doing so. As a result of the lessons learned on CVN 78, we have made significant changes to reduce the cost to build CVN 79, including improvements in material availability and pricing; major changes in build strategy and processes determined to execute construction activities where they can most efficiently be performed; incorporation of design changes only for safety, those mandated or lower costs; and aggressive measures for cost

control in government furnished equipment. The costs of CVN 79 also remain stable and under the Congressional cost cap.

In our attack submarine program we are continuing procurement of two Virginia Class submarines per year while reducing construction time and also developing the Virginia Payload Module (VPM). Thanks to the support of Congress in authorizing the use of a multi-year procurement (MYP), in April 2014, the Navy awarded the Block IV contract for ten submarines. The savings realized with this MYP contract was more than \$2 billion, effectively giving the Navy ten ships for the price of nine.

SSBNs, coupled with the Trident II D-5 Strategic Weapons System, represent the most survivable leg of the Nation's strategic arsenal and provide the nation's only assured nuclear response capability. Originally designed for a 30-year service life, the Ohio Class has been extended to 42 years of operation. They cannot be extended further. For this reason, we are intensively continuing development of the follow-on twelve-submarine Ohio Replacement Program (ORP). This effort is driven by meeting the program's performance requirements while reducing costs across design, production, operations and sustainment. However, in order to afford the ORP procurement costs beyond this Future Years Defense Program (FYDP) it is clear that this program must be funded by a significant increase in the Navy's shipbuilding budget, or from other sources. Otherwise, funding this necessary program will effectively keep the Navy from performing its other critical missions.

The Arleigh Burke Class (DDG 51) program remains one of the Navy's most successful shipbuilding programs – 62 of these ships are currently operating in the fleet. We are in the third

year of an MYP. The second of our FY 16 ships will provide significant upgrades to integrated air and missile defense and additional ballistic missile defense capability by introducing the next flight (Flight III), which incorporates the Air and Missile Defense Radar (AMDR) designed to address a number of growing threats.

With four Littoral Combat Ships (LCS) in service, operational experience continues to increase through at-sea testing and rotational deployments, and the value of this class continues to be demonstrated. USS Fort Worth began her maiden deployment to the western Pacific, and upon arrival in Singapore was sent to assist in the search and recovery efforts for the downed Air Asia airliner in the Java Sea. USS Fort Worth's deployment marks the beginning of continuous LCS forward presence in Southeast Asia and will validate the 3:2:1 (three crews, two ships, one ship always forward-deployed) rotational manning and crewing concept for the LCS class. This will also be the first deployment of the Navy's MH-60R Seahawk helicopter along with the MQ-8B Fire Scout on an LCS.

After an exhaustive analysis by the Navy's Small Surface Combatant Task Force, in December 2014 the Secretary of Defense approved the Navy's proposal to procure a new small surface combatant based on an upgraded LCS. This followed his February guidance to review the program and consider development of a more lethal and survivable small surface combatant. The upgraded LCS will provide multi-mission anti-surface warfare and anti-submarine capabilities, as well as continuous and effective air, surface and underwater self-defense. They are both more lethal and more survivable, as well as continuing to be affordable and providing the fleet with the requirements it needs. As these capabilities are consistent with those of a frigate, I directed designation of these new small surface combatants as Frigates (FF).

Our amphibious ships are incredibly versatile. Across the spectrum of maritime operations, from the humanitarian assistance and disaster relief efforts in the Philippines following super-typhoon Haiyan to the combat operations in Libya during Operation ODYSSEY DAWN, the Navy and Marine Corps team do a wide array of things with these ships. At this moment, the USS Iwo Jima Amphibious Ready Group and 24th Marine Expeditionary Unit are in the Fifth Fleet area of operations, ready for anything that might happen from Iraq and Syria to Yemen.

Congress provided \$1 billion of funding in the FY 2015 Appropriations Act toward a twelfth LPD, and we have requested the balance of funding this year for this ship, LPD 28. Procurement of LPD 28 will assist in mitigating impacts to shipbuilding and combat systems industrial bases, and the ship's design and construction features will fully exploit some of the ongoing design innovations and cost reduction initiatives that are necessary for the LX(R) to achieve its affordability goals.

Support vessels such as the Mobile Landing Platform (MLP) and the Joint High Speed Vessel (JHSV) provide many additional options and flexibility to Combatant Commanders. The future USNS Lewis B. Puller (MLP 3), the first Afloat Forward Staging Base (AFSB) variant of the MLP, which includes a flight deck, was christened in early February in San Diego and will deliver in summer 2015. The Navy awarded MLP 4 AFSB in December 2014, and plans to request MLP 5 AFSB in FY 2017. JHSV production continues with delivery of the fifth JHSV anticipated in April 2015. JHSVs 6 through 10 are also under contract. In FY 2015, Congress provided funding for an eleventh JHSV, which we expect to be put under contract this coming summer.

Combat Logistics Support ships fulfill the vital role of providing underway replenishment of fuel, food, repair parts, ammunition and equipment to forward deployed ships and embarked aircraft to enable them to operate at sea for extended periods of time. We will begin to replace the Fleet Replenishment Oilers beginning in FY16 with the TAO (X). These will be double-hulled and meet Oil Pollution Act of 1990 and International Marine Pollution Regulations.

With the strong support of Congress, we continue to strengthen naval aviation as well. Adding new aircraft to our growing fleet will increase U.S. naval strength, in terms of both force capacity and capability. In the vertical lift community, multi-year production contracts for the MV-22 and MH-60R continue, as does the Marine Corps procurements of the AH-1Z and UH-1Y.

The E-2D, our new and upgraded electronic early-warning aircraft, reached initial operating capability in October and is continuing production under a multi-year contract. We continue to buy P-8As to replace the venerable P-3. Last year, in 2014, we saw the first deployment of this aircraft and continuous rotational deployments to Seventh Fleet are now underway. This past year also continued the integration of the EA-18G Growler electronic attack aircraft into the fleet. With Congress's addition of 15 Growlers in 2015, we will have 153 of these aircraft in 16 squadrons. With the final Navy deployment of the legacy EA-6B Prowler, and the looming retirement of the Marine Corps' last Prowlers, these incredibly capable new aircraft take over the nation's airborne electronic attack mission.

The F-35 Joint Strike Fighter remains a central part of the future of both Navy and Marine Corps aviation. This past year we saw the Marine Corps begin F-35B operations at two additional bases. The Marines are on track to have initial operating capability (IOC) for the first squadron this year. The Navy completed the F-35C's first flight operations at sea aboard USS Nimitz (CVN 68). According to plan, the Navy is the last service to acquire the F-35 and is continuing an acquisition strategy to achieve IOC in the 2018-2019 time frame. Incentive agreements with the builders have been achieved that will improve aircraft unit costs while also improving the learning curve on production.

Unmanned systems are critical to our ability to be present; they lessen the risk to our Sailors and Marines and allow us to conduct missions that are longer, go farther, and take us beyond the physical limits of pilots and crews. Launching and recovering unmanned aircraft as large and capable as our manned fighters from the rolling decks of aircraft carriers, launching unmanned rotary-wing patrols from our small surface combatants, and deployment of unmanned underwater vehicles globally are elements of both the present and future of maritime presence and naval warfare.

We are moving ahead with a number of unmanned programs in the effort to rapidly integrate them into the fleet. The MQ-8B Fire Scout has already begun regular deployments. When USS Fort Worth deployed to Singapore recently the ship took a mixed aviation detachment of a manned MH-60R helicopter and MQ-8B UAV's. This kind of hybrid employment, pairing our manned and unmanned systems to take advantage of the strengths of each, will be a hallmark of our future approach to unmanned systems. The first operational variant of the larger and more

capable next generation Fire Scout, the MQ-8C, was delivered in 2014. This aircraft will bring double the endurance and double the payload of the older versions.

We continue to work toward a full start of the Unmanned Carrier Launched Airborne Surveillance and Strike system (UCLASS) program. This unmanned addition to the air wings aboard our aircraft carriers is a vital part of the future of naval aviation. Full start of this program has been delayed pending a defense-wide review. Having the proper balance of long-endurance surveillance capabilities and the ability to grow into long range, penetrating strike missions in the future is critical. Development also continues of the unmanned underwater systems that are part of our future mine warfare capabilities. These systems will see formal operational testing in the Littoral Combat Ship program in 2016.

Maintaining the required pace of Navy shipbuilding while continuing the recapitalization of our aviation assets and other platforms made necessary by our deployment cycles and operational tempo is a very real issue. It will necessitate continued leadership, oversight and management to make sure we develop innovative solutions and maximize the efficiency in our acquisition system. Building our platforms is a unique public-private partnership and a key economic engine in nearly every state in the union. It provides more than 100,000 high-skill, high-paying jobs and helps ensure the foundation of global prosperity and security that our naval presence has assured since World War II.

Because cuts to our shipbuilding programs are the least reversible in their impact on our fundamental mission of providing presence and in their consequences to the industrial base and to our economy, I am committed, to the maximum extent possible, to preserve ship construction

and to seek reductions in every other area first, should further budget reductions such as sequestration become reality.

Power - Energy and Efficiency

For two centuries the United States Navy has had a history of leadership in energy innovation, transitioning from wind to coal, coal to oil and finally pioneering nuclear power. Fueling the ships, aircraft, and vehicles of our Navy and Marine Corps is a vital operational concern and enables the global presence necessary to keep the nation secure. But power and energy are also issues of national and international security.

My responsibility as Secretary of the Navy is to ensure that the Navy and Marine Corps have the right people, with the right training and the right tools to defend our country. Power and energy are an important part of ensuring our people have what they need and can get where they are needed. It is a critical element of our presence and why Navy has always been an energy innovator.

Throughout human history, access to resources has been a major source of conflict. Energy and fuel can and are being used as weapons. Threats against the shipping lanes in the Middle East, European dependence on Russian gas supplies and the impact of Russian energy dependence by the Ukraine are the subject of daily headlines. This is true regardless of the price of a barrel of oil, although the price decline of the last year has certainly impacted strategic calculations around the globe.

Here in the United States, with domestic production up and new oil and gas reserves being discovered even as prices have fallen, energy still remains a security concern. Even if we were able to produce every single drop of oil or gas that America needs domestically, we cannot control the price. Oil is the ultimate global commodity, often traded on world markets based on speculation and rumor. Oil price instability is often the result of global instability, and prices fluctuate with little warning. The volatility of oil prices, both up and down, has been repeatedly demonstrated in recent years. And energy supply will remain an issue for many of our allies and for others around the globe, creating the potential for instability and even conflict.

Operationally, energy matters now more than ever. The ships and aircraft that we deploy include advanced capabilities that make us the most effective expeditionary fighting force in the world. But our weapons platforms also use far more energy than their predecessors. Our ability to maximize our capabilities depends on having the energy available to power them.

In 2009, I established formal energy goals for the Department of the Navy to help drive the Navy and Marine Corps to strengthen our combat effectiveness by using energy more efficiently and by diversifying our sources of power. From the deployment of hybrid electric drives, to the introduction of alternative fuels into the fleet, to the Marines' use of expeditionary power systems in Afghanistan, we have made real progress over the last few years.

This past year we christened USS Zumwalt (DDG 1000), which has an electric propulsion system. This system is state-of-the-art and will significantly reduce fuel demand, which is a critical part of ensuring we have the fuel to power next generation weapons, like the Laser Weapon System (LaWS) and the electro-magnetic rail gun. This past fall we commissioned USS

America (LHA 6) which is driven by hybrid electric power plants. This is the same engineering design used in USS Makin Island (LHD 8) that, for her maiden deployment, cut her fuel consumption nearly in half when compared to other big deck amphibious ships. We also took delivery of two more Virginia Class submarines, with their advanced nuclear power systems that lead the world in efficiency and safety.

Our shore installations, like our shipyards, are critical to our operations. We continuously strive to be smarter and improve energy efficiency at our installations. And we are leveraging private sector funding to accomplish that goal. In fact, the Department of the Navy is on track to have awarded nearly one billion dollars in energy savings performance contracts by December 2016. That's one billion dollars to improve our infrastructure and lower our energy bills in the process. The Renewable Energy Program Office (REPO) coordinates and manages our goal of producing or procuring one gigawatt of cost-effective renewable energy for our bases. We will reach this goal by December of this year. The power we are buying through our REPO projects will be cheaper, over the life of the contract, than our current rates.

Last September we announced contracts with three companies that have committed to produce drop-in, military-compatible biofuels at operational quantities. Let me be clear: we are not obligated to buy fuel from any producer and do not intend to buy any fuels unless they are cost competitive. That said, it is critical we continue to use alternative fuels in our ships and aircraft to ensure operational flexibility. The private sector, including major airlines, is expanding the use of alternative fuels just as we are.

Diversifying our energy supply for our ships, our aircraft, and our bases helps guarantee our presence and ability to respond to any crisis. Increasing our energy efficiency assures that we can remain on station longer or extend our range, without the delays and vulnerability of refueling. And the benefits of competition, as we have demonstrated in shipbuilding, are always welcome. In these ways, our focus on power and energy is helping to ensure the United States Navy and Marine Corps remain the most powerful expeditionary fighting force in the world and their ability to protect and advance American interests around the globe.

Partnerships – Naval Diplomacy and International Cooperation

In the 21st century, to be effective, all nations and people that seek freedom and security have to carry their own share of the responsibility of defending the global system. A collective effort will assure our navies can provide the necessary presence to maintain freedom of navigation and maritime security around the world. Whether blue water or brown, America's Navy and our other allies and partners help assure stability and security, creating and strengthening global relationships, providing humanitarian assistance and disaster relief, deterring adversaries when possible, and defeating aggression when necessary.

Cooperation on the world's oceans helps us diffuse tensions, reduce misunderstandings, and limit conflict. The world's maritime tradition is nearly as old as human history. From harbors near the Arctic Circle and around the Mediterranean, from the littorals of Asia to the shores of Africa, the Americas and Australia, human civilizations have launched one great fleet after another toward the horizon. Again and again naval forces have proven themselves the most immediate, the most capable and the most adaptable option when a crisis develops.

This is even more true when like-minded navies, with similar national policy objectives, can find ways to work together. Whether exercising together in the Baltic or in Southeast Asia, operating against pirates in the Gulf of Aden, or cooperating to provide relief in the aftermath of natural disasters, the strong cooperation between the United States and our partners and allies makes a difference all over the globe. Partnerships are a key contributor to presence.

Building partnerships and establishing trust between our nation and our Navy and countries around the world is why I travel to visit with foreign military and governmental leaders. Those meetings are critical to building the relationships that can help us deter conflict or respond in a more coordinated and effective manner to manmade or natural crises. It is critical in my job as Secretary of the Navy to understand the global landscape and the security challenges – and opportunities. Briefings and PowerPoint slides can never match the value of firsthand observation and interactions, as anyone who has served aboard a ship, at a forward outpost, or in a warzone can tell you. As the old Navy saying goes, “You can surge people and you can surge platforms, but you cannot surge trust.”

Our rebalance to the Pacific continues to be an important part of our partnership efforts. We must have the right platforms in the right places to ensure our friends and allies understand our commitment. We're moving more ships to the central and western Pacific, including forward basing an additional fast attack submarine in Guam and as I mentioned earlier we are forward stationing four Littoral Combat Ships out of Singapore. We are ensuring that our most advanced platforms are in the Pacific, so we're increasing the number of DDG's with the Ballistic Missile Defense systems based in Japan and the P-8A maritime patrol aircraft are making their first rotational deployments in the region. In the longer term, by 2018 we will deploy an additional

Amphibious Ready Group to the Indo-Pacific region and we will deploy a growing number of Joint High Speed Vessels and Mobile Landing Platforms there. With these changes, and others, by the end of the decade 60% of our fleet will be based in the Pacific, a fleet which will be larger than the one we have today.

The Marine Corps is also building its capacity to work with our Indo-Pacific partners. We continue to increase the rotational deployment of Marines to Australia, which will culminate in the regular rotational deployment of a Marine Air Ground Task Force (MAGTF) of approximately 2,500 Marines. The Marines have increased the size of this deployment from just over 200 Marines to more than 1,000 and over the past year these Marines out of Darwin have conducted exercises and theater security operations throughout the region. We are also continuing forward on the plan to base another MAGTF (part rotational, part permanent) of about 5,000 Marines in Guam, which will become a central hub for many of our Pacific operations.

This past year saw dramatic developments in Eastern Europe and the Black Sea region. The Navy and Marine Corps have been central to demonstrating support for our allies and friends and American interests in the region. Alongside the Marine Corps' Black Sea Rotational Force's operations in Eastern Europe, a series of Navy ships have deployed into the Black Sea to ensure freedom of navigation and work with our partners there. The bonds between America and Europe and our shared values remain as strong today as ever.

That is demonstrated in one of the world's strongest and most enduring defense partnerships: the North Atlantic Treaty Organization. It is true that America's defense strategy calls for an

increased focus on the Western Pacific, Arabian Gulf, and Indian Oceans. But that same strategy also ensures that we aren't turning away from our longstanding allies in Europe and also calls for renewing our commitment to NATO. A very concrete example of this is the move of four ballistic missile defense capable DDGs to Rota, Spain. All of these efforts are a continuation of NATO's 65-year mission to keep all nations free, and not to claim territory or tribute.

This past summer USS America sailed from the Gulf Coast, where it was built in Mississippi, around South America to its new homeport in San Diego. As America sailed through the Americas, the Sailors and Marines aboard conducted theater security cooperation activities with countries in the region, training together and helping to develop the skills needed to counter illicit trafficking and conduct combined operations. Our new Joint High Speed Vessels are also deploying to the Americas with the ability to operate for longer periods and carry adaptive payloads. Our security is undeniably tied to our neighbors and we are working with innovative and small-footprint approaches to enhance this.

This past September, I invited the leaders of our partner navies in West Africa to join me for a series of discussions in Newport, Rhode Island called the Gulf of Guinea Maritime Security Dialogue. Naval leaders from 16 nations bordering the Gulf of Guinea came to discuss how we could increase collaboration in a region where piracy, extremism, trafficking and insecurity of all types are on the rise. We discussed a unified code of conduct for maritime law enforcement and encouraged more direct cooperation in the region. As the economy in the Gulf of Guinea continues to grow, so does the increasing relevance of guarding against transnational crime like maritime terrorism and the illegal movement of drugs and weapons. The U.S. Navy and Marine

Corps will continue to work with our partners in West Africa and help them improve their capabilities and promote collaboration.

Sailors and marines of every nation have much in common with other sailors and marines. Working together, we become more inter-operable, we can provide key training and develop the operational capabilities of like-minded countries and navies. This in itself increases stability for the global system. It distributes the burdens and costs of maritime security and makes us all safer by reducing the likelihood of conflict. Direct engagement with foreign leaders by our Department's senior leadership is a central component of building the human connections that are critical to successful partnership and combined operations. They are a large part of what builds the international relationships, trust, and inter-operability that is central to our globalized world.

In this interconnected world, threats know no boundary, no international lines, so the burden of security has to be shared. Across 239 years of history our Navy and Marine Corps have worked with allies and friends. From suppressing the slave trade on the coast of Africa in the mid-19th century to the combined operations of World War II, the examples are endless. From the exercises I mentioned earlier like RIMPAC, MALABAR, and PLATINUM LION, to our multi-lateral and bi-lateral meetings with both uniformed and government leaders, to our combined operations like the search for Air Asia Flight 8501 and counter-piracy patrols off the Horn of Africa; these examples illustrate that the partnerships we build and maintain today remain critical to our global presence.

FY16 Budget Submission

The Department of the Navy's proposed budget for FY16 is designed with a focus on the three objectives laid out 2014 Quadrennial Defense Review: protect the homeland, build security globally, and project power and win decisively when called upon. In doing so we have looked across the FYDP to maintain our ability to conduct the ten primary missions listed in the Defense Strategic Guidance to 2020 and beyond. Overall the FY16 President's Budget balances current readiness needed to execute assigned missions while sustaining a highly capable fleet, all within a tough fiscal climate.

Our approach to this budget has focused on six objectives. First, maintain a credible and modern sea-based strategic deterrent. Second, sustain our forward global presence to ensure our ability to impact world events. Third, preserve both the capability and capacity to defeat an aggressor in one multi-phase contingency operation while simultaneously denying another aggressor the ability to achieve their objectives. Fourth, ensure that the force is adequately ready for these operations through critical afloat and shore readiness and personnel issues. Fifth, continue and affordably enhance our asymmetric capabilities. Finally, sustain our industrial base to ensure our future capabilities, particularly in shipbuilding.

Even as we deal with today's fiscal limitations, we cannot let slip away the progress we've made in shipbuilding. It takes a long time, measured in years, to produce a deployable ship. As I noted earlier, it is the least reversible thing we might do to deal with budget constraints. If we miss a year, if we cancel a ship, it is almost impossible to recover those ships because of the time involved and the fragile industrial base. To do the job America and our leaders expect and demand of us, we have to have those gray hulls on the horizon.

This budget results in a 2020 fleet of 304 ships. We will purchase Virginia Class attack submarines at a rate of two per year for a total of ten across the FYDP, with the inclusion of the Virginia Payload Module by FY19 for at least one boat per year. We also will continue to procure Arleigh Burke class destroyers at a rate of 2 per year, with the first Flight III DDG funded in FY16 and delivered in FY21. Fourteen ships of the Littoral Combat Ship class, of which at least the last five will be the frigate variant, will also be procured in this FYDP. We will also continue the construction of amphibious ships, mobile landing platforms, high speed vessels, and combat logistics ships.

This budget carries on the development of the future carrier air wing. Procurement of both the F-35C and F-35B continues, with initial operating capability (IOC) of the F-35C coming sometime in late FY18 or early FY19. Our multi-year procurement of the E-2D will now include the introduction of inflight refueling capability for the new aircraft. We are continuing the integration and procurement of the Small Diameter Bomb II for the F/A-18 and fund advancements to the Advanced Anti-Radiation Guided Missile to reach IOC for Block I in FY17. The budget also funds the EA-18G into its Full Operating Capability and full air wing integration in FY17, and we continue the development of the Next Generation Jammer.

We are accelerating the purchase of P-8A maritime patrol aircraft to reverse the reductions that were made due to sequester cuts. Our plan is to complete the buy in FY19 and have the entire inventory of 109 aircraft by the end of the FYDP. We are also addressing the future of our logistics support and carrier onboard-delivery aircraft. This budget funds the purchase of 24 Navy V-22 Tiltrotor aircraft across the FYDP, with an IOC for Navy squadrons of FY21.

In order to face potential adversaries who are building technologically advanced platforms and weapons of their own, we must move forward on our development of new and innovative systems. This budget funds the accelerated acquisition of the Long Range Anti-Ship Missile (LRASM), which will reach early operating capability on the B-1 in FY18 and with F/A-18's in FY19. We are also continuing procurement of SM-6 missiles. Funding for the next leap forward in weapons technologies, such as the LaWS and railgun programs, are included as well as the precision-guided Hyper-Velocity Projectile (HVP) for both our 5-inch guns (by FY19) and for the railgun once development is complete.

The FY16 budget also places priority on emerging capabilities in the cyber and electronic warfare efforts. We will continue to recruit and train top talent to form 40 cyber mission teams by the end of 2016. We also include funding for Operation Rolling Tide and the results of Task Force Cyber Awakening, which invests in enhancements to our networks for cyber defense-in-depth, including defense solutions for ships, security improvements for our command and control networks, and the expansion of some of our defense initiatives to tactical IT systems. The Navy is developing capabilities to deliver cyber effects from land and sea-based platforms. We are continuing the build of the Mobile User Objective System (MUOS) satellites with an IOC expected in FY16 and the launch of the fifth satellite in late 2016.

The Marine Corps end strength will hold at 184,000 Marines for 2016 while leadership assesses the impact of the drawdown that has been conducted over the past 4 years. This pause is for one year only. The Marines will draw down to 182,100 under this budget in 2017. After coming down by 18,000 Marines, we need to ensure we have the right number of small unit leaders and their ability to prepare their Marines for deployment. We must also make sure that units

preparing for overseas operations have adequate time and ability to train and to maintain unit cohesion.

The Marine Corps will begin procurement and testing of the next generation ground combat maneuver capability, starting with the Joint Light Tactical Vehicle. We will also award engineering manufacturing and development contracts to two vendors to produce Amphibious Combat Vehicle 1.1 prototypes for testing and evaluations. The F-35B program also remains a high priority for the Marine Corps, and this budget ramps up production of airframes with the plan to stand up a third F-35B squadron by FY18. These programs are important to our ability to maintain the Marine Corps as the nation's expeditionary force-in-readiness. Our ability to remain forward engaged and ready to respond to crisis is dependent on the readiness of our forward deployed and home station units. The Marine Corps must remain the most ready when the nation is least ready

Our support for our Sailors and Marines and their families is evident in the personnel initiatives in this budget, many of which were described earlier. We are continuing the Compensation Reform and Quality of Service initiatives that we first proposed in the budget for FY15. This includes increasing our requested pay raise from 1.0% to 1.3% in FY16. To ensure fairness across the force, this budget also makes certain that every active duty family members has the option to receive health care with no co-pays/cost share regardless of their assigned duty station, including remote locations. The re-investment in our talented and innovative workforce also continues from the FY15 budget to this one, including the new sea duty incentive pays and bonuses, barracks improvements for our junior personnel, and improved fleet training and spares availability to ensure our men and women have the tools they need to get their jobs done.

The American people have every right to expect that after coming out of two wars there would be savings in the defense budget. Our Department is continuing its reform of acquisition practices, including fundamental changes to how we contract for services. We are establishing additional discipline in the contractual services process – from requirements to tracking to execution to surveillance – that ensures the integrity of the system remains high and to guard against fraud. Also, as a result of reformed contracting processes, we fully expect in this budget to achieve the reductions in contractual services that we began in last year, realigning those resources to buying more material equipment and readiness for the force.

We continue to aggressively implement acquisition practices that improve the return for each taxpayer dollar we spend. Improved management of requirements, multiyear procurements, appropriate incentive contracts, additional competitions, and small business initiatives are but a few of the tools we are using to maximize the return on each dollar we invest on behalf of the taxpayer. However, the way some of the budget reductions have been executed in the law, through continuing resolutions and the sequester, have made planning virtually impossible and have not allowed us to approach reductions in a strategic way. After the initial return of a moderate amount of stability following last year's Bipartisan Budget Act and the recent Omnibus Spending Bill, the President's Budget for FY16 continues this stability to the Department's planning for the future. In order to maintain our Constitutional responsibility to "provide for and maintain a Navy," we must work together to ensure that our Navy and Marine Corps remain the most powerful expeditionary fighting force in the world.

Over the past three years the Navy and Marine Corps have had to make tough choices across a wide range of competing priorities in order to deal with funding instability. This proposed budget submission for FY16 maintains the minimums necessary to accomplish the missions required by the DSG. We continue to accept some risk to our capacity to complete all ten of the missions, and we have continued reductions to the maintenance funds for our shore infrastructure, elements of our weapons capacity, and selected aviation accounts. While these reductions were seen as the most reversible, over a longer period of time the expenses have continued to add up. Because we have already taken these savings, a return to the funding level required by the 2011 Budget Control Act certainly will have more dramatic impacts.

Conclusion

In 2015 we commemorate the bicentennial of the end of the War of 1812. At the Battle of New Orleans a joint force of Sailors, Marines, Soldiers, and volunteers repelled a veteran British Army, battle hardened by their war against Napoleon. From the Navy's small combatants and gunboats that attacked the landing force in Lake Borgne, to the gunnery crews who joined the Army's artillery on the field of battle at Chalmette Plantation, Sailors and Marines ensured the defense of our homeland against invasion. Only weeks later off the coast of Africa, Captain Charles Stewart and USS Constitution fought the war's final battle at sea, bringing an end to the conflict that established the U.S. Navy as a player on the world's stage.

When America has called, the Navy and Marine Corps have always been there. Two hundred years ago our squadrons sailed for the shores of Africa and the Second Barbary War, having just concluded that decisive role in the War of 1812. One hundred and fifty years ago, Admiral Farragut sailed up through Mobile Bay during the Civil War. One hundred years ago, as the

First World War began, we prepared for convoy operations and anti-submarine missions in the battle for control of the Atlantic. Seventy years ago, Sailors and Marines fought their way across the Pacific toward Japan. For all of those two hundred plus years, and continuing today, the Navy and Marine Corps have been ready to fight and to win our nation's wars, whether coming from the sea or on, above or beneath the sea.

Today, from the coast of Africa to the wide expanse of the Pacific, from the Arctic to the Antarctic, our Sailors and Marines continue to deploy to protect and defend the American people and our national interests. They, and our Navy and Marine Corps civilians, continue to ensure that America's Away Team is ready and present around the world, prepared for action in times of crisis or working with our partners in times of peace.

The United States of America faces an international security environment full of uncertainty. To face that world, the funding levels in the Department of the Navy's proposed budget for FY16 reflect the resources required to rapidly respond to a diverse scope of contingencies spanning extremist organizations, pandemic diseases and natural disasters, while continuing to deter assertive actors across the globe through our expeditionary presence and dominant warfighting capability. These investments will continue to provide the best value in dealing with that dynamic security environment, as well as securing and strengthening our own and the global economy.

In order to ensure that we continue to provide the Navy and Marine Corps our nation's leaders the American people have come to expect, the Commandant and Chief of Naval Operations and I look forward to working with this Committee and the Congress. From maintaining our

momentum on our plan to build to a fleet of 304 by the end of the decade, to our continued efforts to purchase the aircraft, vehicles and weapons detailed in our budget submission, to the priority of ensuring we maintain and retain the talented Sailors, Marines, and civilians who make it all possible, we will need to work together. We look forward to answering your questions, at this hearing and in the future. We will continue to work to provide for, and maintain, our Navy and Marine Corps because, as President Theodore Roosevelt once said, "A good Navy is not a provocation to war. It is the surest guaranty of peace."

Mr. FRELINGHUYSEN. Admiral Greenert, again, thank you for 40 years of service.

SUMMARY STATEMENT OF ADMIRAL GREENERT

Admiral GREENERT. Thank you, Chairman Frelinghuysen, and Ranking Member Visclosky, and distinguished members of the committee. Thank you all for the opportunity to testify today. Mr. Chairman, you were right, this committee has been wonderful in supporting the building of ships and the supporting of our sailors. And you are also right, the mix of ships matters a great deal, it is just not the whole number. I thank you very much for your kind words here this morning today.

It is my honor to serve—I have the best job in the world, I have had it. I get to enable and to serve 600,000 Active and Reserve sailors, Navy civilians and their families. I am especially pleased with the 41,000 sailors who are underway and deployed around the globe today. The dedication and their resilience of these people continue to amaze me, Mr. Chairman. And the citizens of this Nation can take great pride in the daily contribution of their sons and daughters who are out around the world today.

I am very pleased and honored to testify this morning beside Secretary Mabus and General Dunford. Your Navy and Marine Corps team is united in fulfilling our long-standing mandate that you mentioned—to be where it matters, when it matters, ready to respond to crises, ensuring the security, and the underpinning of the global economy.

Now, to that point, recent events exemplify the value of forward presence. Last August, the *George Herbert Walker Bush* carrier strike group had to relocate from the north Arabian Sea to the north Arabian Gulf. That is 750 miles where they were on station, and they did this in 30 hours, in less than 30 hours. In that time, Navy and Marine strike fighters flew 20 to 30 combat sorties per day over Iraq and Syria. And for 54 days, they were the only coalition strike option to project power against ISIS.

The USS *Truxtun* arrived in the Black Sea to establish a U.S. presence and to reassure our allies only a week after Russia invaded Crimea, and most of that time that week was due to paperwork getting established.

The USS *Fort Worth*, a Littoral Combat Ship and the USS *Sampson* destroyer were among the first to support the Indonesian-led search effort for the AirAsia Flight 8501 in the Java Sea. So we have been where it matters when it matters.

Mr. Chairman, as I have testified before, the continuing resolution and the sequestration in 2013 deeply affected Navy readiness and capabilities. We have not recovered yet. Navy overall readiness is at its lowest point in many years. Budget reductions forced us to cut afloat and ashore operations that generated ship and aircraft maintenance backlogs and compelled us to extend our unit deployments. Since 2013, many ships have been on deployment from 8 to 10 months or longer, and that exacts a cost on the resiliency of our people, the sustainability of equipment on the ships and service lives of the ships themselves.

Our degraded readiness posture has also affected our ability to satisfy contingency response requirements. In addition to what is

deployed globally today, our combatant commanders require three carrier strike groups and three amphibious ready groups ready to deploy within 30 days to respond to a major crisis. That is our covenant to them.

However, on average we have been able to keep only one carrier strike group and one amphibious ready group in this readiness posture. So we are at one-third of the requirement we need to be. Assuming the best case of an on-time, an adequate, and a stable budget, and no major contingencies, we might be able to recover from these accumulated backlogs by 2018 from our carrier strike groups, and by 2020 for our amphibious ready groups so that is 5 years after the first round of sequestration and that is just the glimpse of the damage that sequestration can and will cause if we go back there.

Not only do we face several readiness problems, but we have been forced to slow our Navy modernization. We have lost our momentum in fielding emerging critical capabilities for future fights. We are losing our technical edge, the overall impact of budget shortfalls in the past 3 years has manifested in the continued decline of our relative war fighting advantages in many areas and notably anti-surface warfare, anti-submarine warfare, air-to-air warfare, and what we called the integrated air and missile defense.

We have been compelled to accept significant risk in the execution of two key missions that are outlined in the strategic guidance. I have a little handout that I provided which summarizes what those missions are and where we stand.

But the two missions that we have the most risk in we call deter-and-defeat aggression. That means to win a war at sea while deterring a war at sea in another different theater. And number two, to project power in an anti access area denial environment. Now when I say risk, I mean that some of our platforms, and our people, and our systems—they will be late arriving to the fight. And they will arrive with insufficient ordnance, without a superior combat systems and sensors and networks that they need and they will be inadequately prepared to fight. This means longer timelines to arrive, like I said, less time to prevail, if we do, more ships and aircraft out of action when in battle, more sailors, marines and merchant mariners killed and less credibility, frankly, to deter adversaries and assure our allies in the future.

Given these circumstances our President's budget 2016 submission represents the absolute minimum funding levels needed to execute our strategic guidance, our strategy. To bring the Navy program into balance within fiscal guidance, we focused first on building the appropriate capability and then to deliver that capability at a capacity that we could afford.

Similar to last year, we applied the following priorities: Number 1, we have to maintain the sea-based strategic return. That is a homeland defense item; number 2, sustain forward presence; number 3, develop the capacity and capability to win, improve our readiness, develop asymmetric capabilities; and lastly, but not least important, to sustain the industrial base.

Choices were made using these priorities. For example, we were once again compelled to take reductions in aviation programs, munitions and shore infrastructure. So Mr. Chairman, over the last 3

years the Navy has been provided budgets that were \$25 billion less than the President's budget request. And frankly, if we continue on this track, it will be \$55 billion less across this FYDP. The primary result has been deferred modernization, but the cumulative result has been a loss of current and future readiness and future capability.

Today's world is more complex, more uncertain, more turbulent. You mentioned it in your opening remarks, Mr. Chairman. This trend around the world will likely continue. Our adversaries are modernizing and expanding their capabilities. It is vital that we have an adequate, predictable and a timely budget to maintain an effective Navy.

The proposal that we provided represents the floor, any funding level below the floor of this submission will require revision to our defense strategy. Put simply, it will damage the national security of the country.

I look forward to working with the Congress to find solutions that will ensure our Navy retains the ability to organize, train and equip our great sailors and their families in the defense of this Nation. Thank you for your continued support and for what this committee has provided your Navy.

Mr. FRELINGHUYSEN. Thank you, Admiral, for your testimony.
[The written statement of Admiral Greenert follows:]

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HOUSE SUBCOMMITTEE ON DEFENSE,
COMMITTEE ON APPROPRIATIONS

STATEMENT OF
ADMIRAL JONATHAN GREENERT

U.S. NAVY
CHIEF OF NAVAL OPERATIONS

BEFORE THE

HOUSE SUBCOMMITTEE ON DEFENSE,
COMMITTEE ON APPROPRIATIONS

ON

FY 2016 DEPARTMENT OF THE NAVY POSTURE

26 FEBRUARY 2015

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COMMITTEE ON APPROPRIATIONS

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Introduction

Chairman Frelinghuysen, Ranking Member Visclosky, and distinguished members of the Committee, I am honored to represent more than 600,000 active and reserve Sailors, Navy Civilians, and their Families, especially the 41,000 Sailors who are underway on ships and submarines and deployed in expeditionary roles, around the globe today.

As the chartlet below shows, about 95 ships (1/3 of the Navy) are deployed around the globe protecting the nation's interests. This is our mandate: to be where it matters, when it matters.

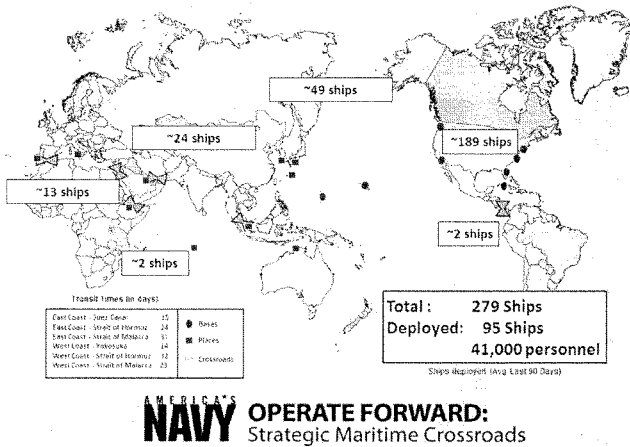


Figure 1: The Navy's forward presence today

I would like to begin this statement describing for you the guidance that shaped our decisions within the President's Budget for FY 2016 (PB-16) submission. I will address the Navy's situation following sequestration in FY 2013, the Bipartisan Budget Act of 2013 (BBA), and the National Defense Authorization Act (NDAA) and Appropriations Act for FY 2015. Then, I will provide details of our PB-16 submission.

Strategic Guidance

The governing document for PB-16 is the Secretary of Defense's 2014 *Quadrennial Defense Review* (QDR). The QDR uses the President's 2012 *Defense Strategic Guidance* (DSG) as a foundation and builds on it to describe the Department of Defense's role in protecting and advancing U.S. interests and sustaining global American leadership. The DSG and its ten

Primary Missions of the US Armed Forces have guided Navy's planning for the past three years. Validated by the QDR, those missions remain the baseline against which I measure our posture in various fiscal scenarios. Also, 2020 is the "benchmark" year identified by the DSG, and that remains the time frame on which my assessments are focused.

The QDR's updated strategy is built on three pillars: *Protect the Homeland, Build Security Globally, and Project Power and Win Decisively*. In support of these, it requires the Navy to "*continue to build a future Fleet that is able to deliver the required presence and capabilities and address the most important warfighting scenarios.*"

In order to improve its ability to meet the nation's security needs in a time of increased fiscal constraint, the QDR also calls for the Joint Force to "rebalance" in four key areas: (1) *rebalancing for a broad spectrum of conflict*; (2) *rebalancing and sustaining our presence and posture abroad*; (3) *rebalancing capability, capacity, and readiness within the Joint Force*; and, (4) *rebalancing tooth and tail*. To satisfy these mandates of the QDR strategy, the Navy has been compelled to make tough choices between capability, capacity, and readiness across a wide range of competing priorities. Our fundamental approach to these choices has not changed since I assumed this position. We continue to view each decision through the lens of the tenets I established when I took office: *Warfighting First, Operate Forward, Be Ready*.

Overview

Sequestration deeply affected the Navy budget in FY 2013 and we have not yet recovered. Stabilized funding in FY 2014 and 2015 provided by the BBA, along with an additional \$2.2 billion above Navy's requested budget in FY 2015, provided limited relief from sequestered Budget Control Act of 2011 (BCA) funding levels and helped Navy's overall posture. However, the cumulative effect of budget shortfalls over these years has forced the Navy to accept significant risk in key mission areas, notably if the military is confronted with a technologically advanced adversary or forced to deny the objective of an opportunistic aggressor in a second region while engaged in a major contingency. By "risk," we mean that some of our platforms will arrive late to the combat zone, and engage in conflict without the benefit of markedly superior combat systems, sensors and networks, or desired levels of munitions inventories. In real terms, this means longer timelines to achieve victory, more military and civilian lives lost, and potentially less credibility to deter adversaries and assure allies in the future.

The PB-14 Future Years Defense Program (FYDP) submission was the baseline required by Navy to carry out all ten DSG missions. Over the last three years, however, the Navy funding under sequestration and the BBA was \$25B less than the PB-13/14 submissions, shortfalls that manifest in the continued erosion of our warfighting advantages in many areas relative to potential adversaries. PB-16 represents the bare minimum to execute the DSG in the world we face, but still results in high risk in two of the most challenging DSG missions that depend on adequate numbers of modern, responsive forces. Should resources be further reduced below PB-16 levels, and certainly if sequestered, the DSG will need to be revised.

If budgeted at PB-16 levels, we assess that the Navy of 2020 will¹:

- Include 304 ships in the Battle Force, of which about 115 will be deployed. This global deployed presence will include more than two Carrier Strike Groups (CSG) and two Amphibious Ready Groups (ARG) deployed, on average.
- In the best case, provide “surge” capacity of about three CSGs (by approximately 2018) and three ARGs (by approximately 2020), not deployed, but ready to respond to a contingency.
- Deliver forces to conduct the DSG primary mission *Deter and Defeat Aggression*, but with higher risk compared to PB-14 due to capacity and readiness challenges.
- Conduct, but with greater risk, the DSG primary mission *Project Power Despite Anti-Access/Area Denial (A2/AD) Challenges* against a technologically advanced adversary compared to PB-14. This is principally due to the slower delivery of new critical capabilities, particularly in air and missile defense, and overall ordnance capacity.

To ensure the Navy remains a balanced and ready force while complying with the reduction in funding below our PB-14 plan, we were compelled to make difficult choices in PB-16, including: slowing cost growth in compensation and benefits; deferring some ship modernization; deferring procurement of 18 of Navy’s most advanced aircraft; delaying over 1,000 planned weapons procurements; and continuing to reduce funding for base facilities sustainment, restoration, and modernization. Deferments in PB-16 compound modernization delays we were compelled to accept in PB-15 due to budget constraints.

Additional challenges are on the horizon. In the long term beyond 2020, I am increasingly concerned about our ability to fund the Ohio Replacement ballistic missile submarine (SSBN) program—our highest priority program—within our current and projected resources. The Navy cannot procure the Ohio Replacement in the 2020s within historical shipbuilding funding levels without severely impacting other Navy programs.

Continuing Impact of Sequestration in FY 2013

Sequestration in FY 2013 resulted in a \$9 billion shortfall in Navy’s budget, as compared to the PB-13 submission. This instance of sequestration was not just a disruption, it created readiness consequences from which we are still recovering, particularly in ship and aircraft maintenance, Fleet response capacity, and excessive CSG and ARG deployment lengths. As I testified in November 2013, March 2014, and January 2015, the continuing resolution and sequestration reductions in FY 2013 compelled us to reduce both afloat and ashore operations,

¹ Navy revised the accounting guidelines for its Battle Force according to requirements set forth in the FY2015 National Defense Authorization Act. Numbers in this statement are not directly comparable to those used in prior testimony, see chart below. The NDAA prohibits inclusion of “...patrol coastal ships, non-commissioned combatant craft specifically designed for combat roles, or ships that are designated for potential mobilization.” Ships that were counted last year, but are no longer counted, are Patrol Craft (PC) and Hospital Ships (T-AH).

	Current as of 1 Jan 2015	FY 2016	FY 2020
PB-16: New guidelines	279	282	304
PB-16: Old guidelines	288	291	308

which created ship and aircraft maintenance and training backlogs. To budget for the procurement of ships and aircraft appropriated in FY 2013, Navy was compelled to defer some purchases to future years and use prior-year investment balances to mitigate impacts to programs in FY 2013 execution. The most visible impacts occurred in Operations and Maintenance funded activities. Specific impacts to Navy programs include:

- Cancelled five ship deployments
- Delayed deployment of *USS Harry S. Truman* strike group by six months
- Inactivated, instead of repaired, *USS Miami*
- Reduced facilities restoration and modernization by about 30% (to about 57% of the requirement)
- Reduced base operations, including port and airfield operations, by about 8% (to about 90% of the requirement)
- Furloughed civilian employees for six days, which, combined with a hiring freeze and no overtime for six months, reduced our maintenance and sustainment output through lost production and support from logisticians, comptrollers, engineers, contracting officers, and planners
- Cancelled Fleet engagements and most port visits, except for deployed ships

While the Navy was able to reprioritize within available resources to continue to operate in FY 2013, this is not a sustainable course for future budgets. The actions we took in 2013 to mitigate sequestration only served to transfer bills amounting to over \$4 billion to future years for many procurement programs – those carryover bills were addressed in Navy's FY 2014 and FY 2015 budgets. If we were sequestered again, we would be forced to degrade current and future Fleet readiness.

Shortfalls caused by the FY 2013 sequestration remain in a number of areas and the Navy is still working to recover from them. For example, we have not yet caught up from shipyard maintenance backlogs. We are working through shipyard personnel capacity issues to determine when ships can be fit back into the maintenance cycle and are balancing that against operational demands on the ships to ensure we meet the global force management requirement for Combatant Commands. The result of maintenance and training backlogs has meant delayed preparation for deployments, forcing us, in turn, to extend the deployments of those units already on deployment. Since 2013, many CSGs, ARGs, and destroyers have been on deployment for 8-10 months or longer. This comes at a cost to the resiliency of our people, sustainability of our equipment, and service lives of our ships.

Maintenance and training backlogs have also reduced Navy's ability to maintain required forces for contingency response to meet Combatant Command operational plan requirements. Although the requirement calls, on average, for three additional CSGs and three additional ARGs to deploy within 30 days for a major crisis, Navy has only been able to maintain an average of one group each in this readiness posture. Root causes can be traced to the high operational tempo of the Fleet, longer than expected shipyard availabilities, and retirements of experienced shipyard workers, but the FY 2013 sequestration exacerbated the depth of this problem and interfered with our efforts to recover.

Assuming a stable budget and no major contingencies for the foreseeable future, I estimate it is possible to recover from the maintenance backlogs that have accumulated from the high operational tempo over the last decade of war and the additional effects of sequestration by approximately 2018 for CSGs and approximately 2020 for ARGs, five plus years after the first round of sequestration. This is a small glimpse of the readiness “price” of sequestration.

Where We Are Today

Before describing our FY 2016 submission, I will discuss the Navy’s current posture, which established the baseline for our PB-16 budget.

Congress’s passage of the BBA averted about \$9 billion of an estimated \$14 billion reduction we would have faced under sequestration in FY 2014. It enabled us to fund all planned ship and aircraft procurement in FY 2014, but cumulatively the shortfalls increased risk in Navy’s ability to execute DSG missions. The BBA still left a \$5 billion shortfall below PB-14 in our investment, operations, and maintenance accounts.² The shortage in funding compelled us to reduce procurement of weapons (many missile types) and aircraft spare parts, defer asymmetric research and development projects, cancel repair and maintenance projects for facilities ashore, and defer procurement of maintenance/material support equipment for the Fleet.

The recent passage of the FY 2015 NDAA and Consolidated and Further Continuing Appropriations Act averted about \$2 billion of the estimated \$13 billion reduction that Navy would have faced under sequestration; an \$11 billion shortfall remains (as compared to PB-14). Although the funding enabled us to continue the refueling and complex overhaul of the *USS George Washington* (CVN 73), Navy was forced to balance its portfolio to mitigate the shortfall by making choices between capability, capacity, and readiness. We were compelled to further reduce the capacity of weapons and aircraft, slow modernization, and delay upgrades to all but the most critical shore infrastructure. As I described in testimony in March 2014, PB-15 represented another iterative reduction from the resources we indicated were necessary to fully resource the DSG missions, making Navy less ready to successfully *Deter and Defeat Aggression* and *Project Power Despite Anti-Access/Area Denial (A2/AD) Challenges*. Continuing along this budget trajectory means that by 2020, Navy will not have recovered sufficient contingency response capacity to execute large-scale operations in one region, while simultaneously deterring another adversary’s aggression elsewhere. Also, we will lose our advantage over adversaries in key warfighting areas such as Anti-Surface Warfare, Anti-Submarine Warfare, Air-to-Air Warfare, and Integrated Air and Missile Defense.

Our Strategic Approach to PB-16

In developing our PB-16 submission, we evaluated the warfighting requirements to execute the primary missions of the DSG. These were informed by: (1) current and projected threat, (2) global presence requirements defined by the Global Force Management Allocation Plan (GFMAP), and (3) warfighting scenarios as described in Combatant Commanders’ Operation Plans (OPLANs) and Secretary of Defense-approved Defense Planning Scenarios (DPS). We used these warfighting scenarios to assess our ability to execute more than 50 end-to-end capabilities, also known as “kill chains” or “effects chains.” These chains identify all the

² Congress subsequently added \$3.4B in FY 2014, which added an SSN and increased Navy’s Ship Modernization, Operations, and Sustainment Fund (SMOSF).

elements needed to provide a whole capability, including sensors, communications (networks), operators, platforms, and weapons. To arrive at a balanced program within fiscal guidance, we focused first on building appropriate capability, then delivering it at a capacity we could afford. Six budget priorities guided us:

First, maintain a credible, modern, and survivable sea-based strategic deterrent. Under the New START Treaty, the Navy SSBN force will carry about 70% of the U.S. strategic nuclear warheads by 2020. Our PB-16 request sustains today's 14-ship SSBN force, the Trident D5 ballistic missile and support systems, and the Nuclear Command, Control, and Communications (NC3) suite. The Ohio-class SSBN will begin retiring, one per year, beginning in 2027. To continue to meet U.S. Strategic Command presence and surge requirements, PB-16 continues to support construction of the first Ohio Replacement SSBN in 2021 for delivery in 2028 and first deterrent patrol in 2031. As part of the Navy's Nuclear Enterprise Review, our PB-16 submission also adds approximately \$2.2 billion across the FYDP to: (1) increase shipyard and Nuclear Strategic Weapons Facilities (SWF) capacity by funding required civilian end-strength; (2) accelerate investments in shipyard infrastructure; (3) fund additional manpower associated with nuclear weapons surety; and (4) fund key nuclear weapons training systems.

Second, sustain forward presence of ready forces distributed globally to be where it matters, when it matters. We continue to utilize cost-effective approaches such as forward basing, forward operating, and forward stationing ships in the Asia-Pacific, Europe, and the Middle East. Rotational deployments will be stabilized and more predictable through continued implementation of an improved deployment framework called the Optimized Fleet Response Plan (O-FRP). We will distribute our ships to align mission and capabilities to global regions, ensuring high-end combatants are allocated where their unique capabilities are needed most. We will meet the adjudicated FY 2016 GFMAT; this represents about 45% of the global Geographic Combatant Commander (GCC) requests. Sourcing all GCC requests would require about 450 combatant ships with requisite supporting structure and readiness.

Third, strengthen the means (capability and capacity) to win in one multi-phase contingency operation and deny the objectives of – or impose unacceptable costs on – another aggressor in another region. PB-16 prioritizes investments to close gaps in critical kill chains, but accepts risk in capacity or in the rate at which some capabilities are integrated into the Fleet.

Fourth, focus on critical afloat and ashore readiness. PB-16 helps improve the overall readiness of our non-deployed forces, but not to our satisfaction. With a stable budget and no major contingencies for the foreseeable future, I estimate it is possible to recover from the maintenance backlogs by approximately 2018 for CSGs and approximately 2020 for ARGs. Facilities Sustainment, Restoration, and Modernization (FSRM) funds are increased for FY 2016 to arrest the decline of facilities conditions, but then FSRM funds are inadequate for the remainder of the FYDP, in order to fund afloat readiness. Our budget constraints prevent us from funding all but the most critical shore facility upgrades in FY 2017 and beyond.

Fifth, sustain or enhance Navy's asymmetric capabilities in the physical domains, as well as in cyberspace and the electromagnetic spectrum. PB-16 prioritizes capabilities to deal with adversary threats, including electromagnetic spectrum and cyber capabilities and those capabilities that provide joint access developed in concert with other Services under the *Joint Concept for Access and Maneuver in the Global Commons* (formerly known as *Air-Sea Battle*). In line with USCYBERCOM priorities, we are investing in cyber defense-in-depth and

expansion of cyber defense initiatives to tactical platform Information Technology systems, boundary defense solutions for ships, and security improvements for our C4I systems.

Sixth, sustain a relevant industrial base, particularly in shipbuilding. We will continue to evaluate the impact of our investment plans on our industrial base, including ship and aircraft builders, depot maintenance facilities, equipment and weapons manufacturers, and science and technology researchers. The government is the only customer for some of our suppliers, especially in specialized areas such as nuclear power. PB-16 addresses the health of the industrial base by sustaining adequate capacity, including competition, where needed and viable. While prioritizing required capabilities, we also sought to sustain a viable industrial base.

What We Can Do

As described earlier, due to the impact of prior year shortfalls and modernization deferrals in the PB-16 FYDP, we still face significant risk in executing at least two of ten primary missions of the DSG in 2020. The 2014 update to the “2012 Force Structure Assessment” (FSA) and other Navy analysis describe the baseline of ships needed to support meeting each mission. Against that baseline and using a rigorous assessment of over 50 capabilities (with appropriate capacity) necessary to be tactically successful (called “end-to-end kill chain” analysis), we conclude that with PB-16, the Navy of 2020 will support each of the ten DSG missions as follows:

Provide a Stabilizing Presence

PB-16 will meet the adjudicated presence requirements of this mission. By increasing the number of ships forward stationed and forward based, and by improving our deployment preparation process called the Optimized Fleet Response Plan (O-FRP), presence improves in some global regions as compared to previous budget submissions. The Navy of 2020:

- Provides a global presence of about 115 ships (same as PB-15); an increase over an average of 95 ships deployed today.
- Increases presence in the Asia-Pacific region. This includes forward deploying an additional SSN to Guam, the most capable DDG to Japan, Mobile Landing Platform (MLP), Joint High Speed Vessel (JHSV), both Littoral Combat Ship (LCS) variants, MQ-8C, P-8A, EA-18G, upgraded F/A-18E/F, and E-2D. MQ-4C *Triton* high endurance unmanned aerial vehicles will operate from Guam in 2017. This presence will assure allies, shape, and deter. However, a major maritime operation will require substantial naval forces to swing from other theaters or surge forward from CONUS bases.
- “Places a premium on U.S. military presence in – and in support of – partner nations” in the Middle East, by increasing presence by 40% to about 36 ships in 2020. Though not counted in Navy’s Battle Force, ten of our Patrol Craft (PC) serve as Forward Deployed Naval Forces (FDNF) operating out of Bahrain, and seven LCS will join them by the end of 2020. In 2016, Navy’s first Mobile Landing Platform/Afloat Forward Staging Base (MLP/AFSB) will augment the on-station AFSB-Interim (a modified dock landing ship) to support Special Operations Forces and augment mine countermeasure capability.

- Continues to “*evolve our posture*” in Europe by meeting ballistic missile defense (BMD) European Phased Adaptive Approach (EPAA) requirements with four BMD-capable guided missiles destroyers (DDG) in Rota, Spain, and two land-based sites in Poland and Romania. The first two DDGs arrived in 2014 and all four will be in place by the end of 2015. Additional presence in Europe will be provided by forward operating JHSVs and rotationally deployed combatants.
- Will provide “*innovative, low-cost and small-footprint approaches*” to security in Africa and South America by deploying one JHSV, on average, to each region. Beginning in FY 2015, we will deploy one hospital ship (T-AH), on average, and, beginning in FY 2016, add one PC ship, on average, to South America. AFSBs forward operating in the Middle East could also provide additional presence in Africa as required. As available, we are deploying ships for shorter periods (\leq two months) in theaters other than those which they would be primarily assigned (e.g., AFRICOM and SOUTHCOM).

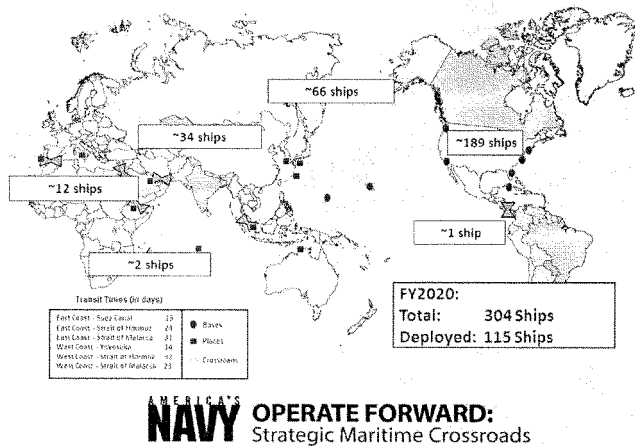


Figure 2: The Navy's forward presence in FY 2020

Counter Terrorism and Irregular Warfare (CT/IW)

We will have the capacity to conduct widely distributed CT/IW missions. This mission requires Special Operations Forces, Navy Expeditionary Combat capabilities such as Explosive Ordnance Disposal (EOD), Combined Explosive Exploitation Cells (CEXC), Intelligence Exploitation Teams (IET), and a variety of platforms that can accommodate adaptive force packages. PB-16 procures a third MLP/AFSB in FY 2017 for delivery in FY 2020, and funds an enhanced SOF capability on all three AFSBs, which provides more robust medical facilities, improved C4I, and increased accommodation for aircraft, and other SOF-specific equipment.

PB-16 also procures ten MQ-8C *Fire Scout* systems for deployments aboard LCS, which are fundamentally multi-mission.

Deter and Defeat Aggression

Our FSA described the ship force structure necessary to meet this mission's requirement: to be able to conduct one large-scale operation and *"simultaneously be capable of denying the objectives of – or imposing unacceptable costs on – an opportunistic aggressor in a second region."* According to the FSA, the Navy has a requirement for a force of 11 CVN, 88 large surface combatants (DDG and CG), 48 attack submarines (SSN), 12 SSBN, 11 large amphibious assault ships (LHA/D), 11 amphibious transport docks (LPD), 11 dock landing ships (LSD), 52 small surface combatants, 10 JHSV, 29 combat logistics force (CLF) ships, and 24 command and support ships. Provided sufficient readiness is restored and maintained across the Fleet, this globally distributed force will yield a steady state deployed presence of more than two CSG and two ARG, with three CSG and three ARG ready to deploy within 30 days in response to a contingency ("surge"). PB-16 puts Navy on a path to procure the right mix of ships as defined by the FSA; however, the 2020 Battle Force will have a shortfall of small surface combatants due to a gap in FFG and MCM retirements and LCS deliveries. Other sources of risk in this primary mission are less aircraft, modern sensors, networks, and weapon procurements across the FYDP. Slowed modernization across the Fleet is a serious concern.

Conduct Stability and Counterinsurgency Operations

The Navy of 2020 will be able to meet the requirements of this DSG mission.

Project Power Despite Anti-Access/Area Denial (A2/AD) Challenges

Our power projection capability, reconstitution of weapons systems, and modernization programs to enable Joint Assured Access have been deferred due to budget constraints over the last three years. This reduces options and decreases our ability to assure access in all domains (space, air, surface, subsurface, and cyber). Over the last three years, funding shortfalls required us to reduce procurement in weapons by over 4,000 planned quantities. We continue to take risk in capacity in order to preserve investments in developing future capabilities. This reduced procurement of weapons and deferring of air and missile defense capabilities, coupled with joint force deficiencies in wartime information transport, C2 resiliency, and airborne ISR, will result in high risk in conducting this DSG mission if we are faced with a technologically advanced adversary.

Counter Weapons of Mass Destruction

This mission has two parts: (1) interdicting weapons of mass destruction as they proliferate from suppliers, and (2) defeating the means of delivery during an attack. PB-16 will continue to meet the requirements for this mission by providing sufficient deployed CSG, ARG, and surface combatants, as well as Navy special warfare personnel (SEAL) and EOD platoons, to address the first part. For the second part, BMD-capable DDG exist in sufficient numbers to meet the majority of GCC presence requirements under the GFMAP, and can be postured to counter weapons delivered by ballistic missiles in regions where threats are more likely to originate. That said, missile defense capacity in some scenarios remains a challenge.

Operate Effectively in Space and Cyberspace

Our PB-16 submission continues to place priority on cyber efforts to build the Navy's portion of the DoD's Cyber Mission Forces and strengthen our cyber defense capabilities afloat and ashore. We have accessed about 80% of the 1,750 cyber operators that will form 40 cyber mission teams by the end of 2016; we will continue to recruit, hire, and train this force. Additionally, we will align Navy networks with a more defensible DOD Joint Information Environment (JIE) through the implementation of the Next Generation Enterprise Network (NGEN) ashore and Consolidated Afloat Networks and Enterprise Services (CANES) at sea. We will continue funding for the launch and sustainment of the Mobile User Objective System (MUOS), DoD's newest and most robust solution for extending narrowband Ultra High Frequency Satellite Communications (SATCOM) connectivity ashore, in flight, and at sea. Also critical to assured command and control, PB-16 continues funding the installation and sustainment of the Navy Multiband Terminal (NMT), our newest and most robust solution for giving surface and submarine forces access to wideband Super High Frequency and Extremely High Frequency SATCOM connectivity.

Maintain a Safe, Secure, and Effective Nuclear Deterrent

This mission is the Navy's top priority in any fiscal scenario, and our PB-16 submission meets its requirements. Our sea-based strategic deterrent remains safe, secure, credible, and effective today, but Navy is also implementing 27 specific actions based on the DoD Nuclear Enterprise Review recommendations, including oversight, training, policy, and process improvements, funded with an additional PB-16 investment of over \$400 million in FY 2016 and over \$2 billion across the FYDP. Our PB-16 submission satisfies STRATCOM demand for SSBN availability through the end of the current Ohio class's service life. Navy's PB-16 submission also funds Nuclear Command, Control, and Communications (NC3) modernization, Trident D5 ballistic missile Life Extension Program (LEP) to maintain a 2017 Initial Operational Capability (IOC), and Common Missile Compartment development on a 2019 delivery timeline. Continued Congressional support for Naval Reactors' Department of Energy (DoE) funding is essential to maintain life-of-the-ship core reactor design and development synchronization with our Ohio Replacement shipbuilding schedule, which ensures lead ship procurement in 2021, and refueling of the land-based prototype. Naval Reactors' DoE budget also includes the second year of funding for the Spent Fuel Handling Project (SFHP), recapitalization of which is critical to the Navy's refueling and defueling schedule of nuclear-powered aircraft carriers and submarines.

Defend the Homeland and Provide Support to Civil Authorities

PB-16 will maintain an appropriate capacity of aircraft carriers, surface combatants, amphibious ships, and aircraft that are not deployed and are ready for all homeland defense missions.

Conduct Humanitarian, Disaster Relief, and Other Operations

Navy's global presence and training is sufficient to conduct these operations.

Modernization

The following paragraphs describe specific PB-16 programs that influence our ability to conduct the missions required by the DSG, and the impact of programmatic action:

Shipbuilding

Navy shipbuilding priorities remain largely consistent with PB-15. Navy will procure 48 ships across the FY 2016-2020 period. Fourteen Battle Force ships will be delivered in FY 2016 alone. PB-16:

- Maintains funding to support RDTE and advanced procurement of the first Ohio Replacement SSBN, our highest priority program. Without increased shipbuilding funding in FY 2021 and beyond, Ohio Replacement SSBN funding will consume the majority of Navy's annual shipbuilding budget, and degrade other shipbuilding programs. Appropriations for SSBN recapitalization are historically consistent with the last period of SSBN procurement between 1974 and 1990.
- Fully funds *USS George Washington* (CVN 73) refueling and complex overhaul.
- Procures ten Arleigh Burke-class DDG (one Flight IIA and nine Flight III) in the FYDP, two per year, resulting in an inventory of 72 by 2020. The first Flight III DDG, which will incorporate the advanced AN/SPY-6 radar (formerly called the Air and Missile Defense Radar, or AMDR), will be procured in FY 2016 and delivered in FY 2021.
- Procures ten Virginia-class SSNs in the FYDP, two per year, resulting in an inventory of 21 Virginia-class submarines (51 total SSNs of all types) by 2020.
- Funds the final nine LCS (Flt 0+) across the FYDP (three per year FY 2016 – 2018). Then beginning in FY 2019, Navy will procure new Small Surface Combatants (two in FY 2019, three in FY 2020) based on upgraded variants of the LCS that Navy will designate as "Frigates" (FF). There will be no construction gap between procurement of the last LCS (Flt 0+) and the first "frigate." The new "frigate" will offer improvements in capability, lethality, and survivability.
- Funds replacement of LSD amphibious ships with the LX(R) starting with advanced procurement in FY 2019 and procurement of the first LX(R) in FY 2020. LX(R) serial production will begin in FY 2022.
- Procures a twelfth LPD, which will be developed in parallel with the LX(R) program and incorporate targeted design and construction initiatives to increase affordability. Adding LPD 28 to the inventory will help mitigate expeditionary capability and amphibious lift shortfalls.
- Funds four Fleet oilers (T-AO(X)) across the FYDP beginning in FY 2016. T-AO(X) replaces the aging single hull fleet oiler. This new procurement ensures continued combat logistics support to our ships.
- Funds five Fleet salvage ships (T-ATS(X)) across the FYDP beginning in FY 2017. These new ships replace the two aging salvage class ships with a single class while improving capability and performance.

Combatant Ship Modernization

In parallel with shipbuilding, PB-16 continues modernization of in-service platforms to allow our combatants to remain relevant and reach their expected service lives. The ship modernization program does not keep pace to deal with high-end adversary weapons systems by 2020. Flight I and II of the *Arleigh Burke*-class DDG began mid-life modernization in FY 2010; thirteen will have completed Hull Mechanical and Electrical (HM&E) modernization by the end of 2016, and six of these ships will have also completed combat systems modernization. In FY 2017, we will begin to modernize the Flight IIA DDGs. However, due to fiscal constraints we were compelled to reduce the combat systems procurements of one DDG Flight IIA per year, starting in FY 2016. This will result in some destroyers not receiving combat systems upgrades when originally planned to allow them to pace the threat, particularly in Anti-Air Warfare (AAW) and Ballistic Missile Defense (BMD).

In order to maintain force structure that provides Air Defense Commander support to the CSGs, Navy will induct two Guided Missile Cruisers (CGs) into phased modernization in FY 2015 and an additional two in FY 2016. This will place a total of four ships in modernization with the intent that each ship period will be limited to four years. We are committed to modernizing a total of 11 CGs in the current modernization program. Without any phased modernization program, the CG class will retire, without replacement, at the end of their service lives between 2020 and 2030. Using the Congressionally directed 2/4/6 plan, the final retirements will occur between 2036 and 2039. Under the Navy's original PB-15 plan, the final CG retirement would have occurred in 2045, at a significantly reduced cost to the Navy, and would have relieved pressure on a shipbuilding account largely consumed in the 2030s with building Ohio Replacement SSBNs and aircraft carriers.

Nine of 12 *Whidbey Island*-class LSDs have undergone a mid-life update and preservation program, two are currently being modernized, and one more will be inducted into phased modernization in FY 2016. Modernization of seven *Wasp*-class large deck amphibious assault ships (LHD) was delayed by two years, and they will now complete mid-life modernization by FY 2024. Modernization of the eighth LHD, USS *Makin Island*, will be addressed in subsequent budget submissions.

Warfighting Capability

Aviation

PB-16 continues our transition, albeit more slowly than desired, to the "Future Air Wing." This transition will dramatically improve our capabilities and warfighting capacity across critical "kill chains." But, funding shortfalls have stretched (deferred) modernization plans in this area. This delay will call into question our ability to deal with near peer competitors, especially if directed to carry out our DoD campaign plan in the 2020 timeframe. Specifically, we will continue to field more advanced land-based maritime patrol aircraft (manned and unmanned) to evolve our ISR, ASW, and sea control capabilities and capacity. To further these objectives, PB-16 provides the following capabilities:

- Navy Integrated Fire Control-Counter Air (NIFC-CA) Increment I capability will field with the E-2D *Advanced Hawkeye* aircraft in 2015, with four air wings transitioned to the E-2D by 2020. This integrates aircraft sensor and ship weapons

capabilities, improving lethality against advanced air and missile threats. However, we deferred two E-2D outside the FYDP (procure 24 vice 26).

- The F-35C Lightning II, the carrier-based variant of the Joint Strike Fighter, is scheduled to achieve IOC in 2018. However, F-35C procurement will be reduced by 16 airframes (from 54 to 38) across the PB-16 FYDP when compared to PB-15. The F-35C, with its advanced sensors, data sharing capability, and ability to operate closer to threats, is designed to enhance the air wing's ability to find targets and coordinate attacks.
- Continued support for a Service Life Extension Program (SLEP) for the legacy F/A-18A-D Hornet to meet our strike fighter inventory needs while integrating the F-35C. With SLEP modifications, some of these aircraft will achieve as much as 10,000 lifetime flight hours, or 4,000 hours and (16 years) beyond their originally-designed life.
- To address Navy electronic attack requirements, EA-18G will reach full operational capability in FY 2017. Replacement of the aging ALQ-99 jamming pods begins in FY 2021, when the Next Generation Jammer (NGJ) Increment I, featuring upgraded capabilities against mid-band frequencies, reaches IOC. NGJ Increment II research and development on low band frequencies remains funded for FY 2016.
- All components of an improved air-to-air "kill chain" that employs infrared (IR) sensors to circumvent adversary radar jamming will be delayed another year. PB-16 increased funding to procure an additional 28 Infrared Search and Track (IRST) Block I sensor pods for F/A-18E/F *Super Hornet*, for a total of 60, across the FYDP; however, the IRST Block I sensor system will field in 2018 (versus 2017 under PB-15) and the improved longer-range IRST Block II will not deliver until 2022 (versus 2019 under PB-15).
- Improvements continue to the air-to-air radio frequency "kill chain" that defeats enemy jamming at longer ranges. By 2020, 380 jamming protection upgrade kits for F/A-18E/F *Super Hornets* and EA-18G *Growler* will be delivered. But, we were compelled to defer 180 kits beyond the FYDP.
- Integrates the Small Diameter Bomb II (SDB II) on the F/A-18 by FY 2020, and procures 1,590 units across the FYDP to enhance carrier air wing precision strike capabilities.
- V-22 (Navy variant) aircraft have been selected as the solution to the aging C-2 Carrier Onboard Delivery (COD) aircraft. PB-16 procures 24 aircraft over the FYDP with an IOC of FY 2021. The V-22 (Navy variant) extends the range and increases the flexibility of Strike Group resupply.
- Navy's commitment to the Unmanned Carrier-Launched Airborne Surveillance and Strike System (UCLASS) program continues. However, a DoD-wide Strategic Portfolio Review will delay UCLASS Air Vehicle segment contract award by at least one year. The remaining UCLASS Carrier Integration and Connectivity and Control System segments will continue and are funded through the FYDP.

Long Range Strike

Our precision strike capabilities and capacity will be critical to success in any foreseeable future conflict. Potential adversaries have already fielded and continue to develop advanced, long range weapons that will require effective counters. We remain challenged in this area. Accordingly, PB-16:

- Funds Virginia Payload Module (VPM) RDT&E and SCN to accelerate inclusion of VPM on at least one Virginia Class Block V SSN per year in FY 2019 and 2020. VPM will enable Virginia-class SSNs to mitigate the loss of SSGN strike capacity as they begin to retire in 2026. VPM will more than triple the Tomahawk Land Attack Missile (TLAM) Block IV strike capacity of a VA-class SSN from 12 to 40 missiles.
- Supports the existing Tactical Tomahawk cruise missile inventory by extending service life through investments in critical capability enhancements and vital parts to achieve maximum longevity. PB-16 adds 100 Tomahawks in FY16. Production deliveries will now continue through FY 2018, which minimizes factory impact until the start of Tomahawk Block IV inventory recertification and modernization beginning in FY 2019.
- Invests in future capability by commencing an analysis of alternatives for the Next Generation Land Attack Weapon (NGLAW), with a planned Fleet introduction in the 2024-2028 timeframe, at least a decade prior to the sundown of TLAM Block IV in the 2040s.

Anti-Surface Warfare

Navy remains challenged in this mission area due to both capability and capacity shortfalls. To deal with potential adversaries' long-range anti-ship cruise missiles and maritime air defenses, PB-16 implements a plan to deliver a family of anti-surface warfare (ASuW) capabilities. The program maintains current ASuW capability inherent in the Harpoon missile, Standoff Land Attack Missile-Expanded Response (SLAM-ER), Joint Standoff Weapon (JSOW) C-1, and Mk48 Advanced Capability (ADCAP) torpedoes. In the near term, we are pursuing options to develop an improved, longer-range ASuW capability by leveraging existing weapons to minimize technical risk, costs, and development time. Five of ten Patrol Craft in the Arabian Gulf have been upgraded with short-range Griffin missiles, and the other five will receive them by the end of 2015. Additionally, PB-16 funds enhanced ASuW lethality for LCS by integrating surface-to-surface missiles (Hellfire Longbow) onto those platforms starting in 2017. Navy is evaluating which missile to select to provide upgraded LCS ("frigates") an additional and even longer range over-the-horizon missile capability. Also, PB-16 continues to accelerate acquisition of the Long Range Anti-Ship Missile (LRASM) air-launched variant, which will achieve early operational capability on F/A-18E/F aircraft in FY 2019.

Anti-Submarine Warfare

PB-16 sustains our advantage in the undersea domain by delivering the following capabilities, although capacity challenges persist:

- Procures 47 P-8A *Poseidon* maritime patrol aircraft, replacing the legacy P-3C *Orion's* capability, and completing the transition by FY 2019. We continue

investments in the development of a high-altitude anti-submarine warfare capability (HAAWC), which is composed of a MK 54 torpedo kit and software support system.

- Continues installation of ASW combat systems upgrades for DDGs and improved Multi-Function Towed Arrays (MFTA) for DDGs and CGs. Both installations will be complete on all DDGs forward based in the Western Pacific by 2018.
- Continues upgrades to all our P-8A and ASW helicopters in the Western Pacific with sonobuoys and advanced torpedoes by 2018; however, in PB-16 we were compelled to reduce weapons capacity, which equated to cancelling 240 MK 54 lightweight torpedoes.
- Procures 145 MK 48 ADCAP torpedoes over the FYDP to reduce a wartime requirement shortfall from 30% to 20%, and invests in modularity and endurance improvements to enable more efficient production, better performance, and future upgradability.
- Improves surface ASW capability in the LCS ASW Mission Package by employing an MFTA in concert with variable depth sonar (VDS) in 2016.
- Defers recapitalization of our ocean surveillance ship, T-AGOS(X), from FY 2020 to outside the FYDP, a reflection of our intent to extend the service life of our current T-AGOS vessels.
- Develops and builds the Large Displacement Unmanned Undersea Vehicle (LDUUV) in the FYDP to augment submarine capabilities. We will use Office of Naval Research Innovative Naval Prototype large UUVs to train our Fleet operators, preparing them for LDUUV Fleet introduction in the early 2020s.

Electromagnetic Maneuver Warfare

PB-16 puts Navy on a path to maneuver more freely in the electromagnetic spectrum, while strengthening our capability to degrade adversaries' ability to do so. It maintains our investment in the Ships' Signals Exploitation Equipment (SSEE) Increment F, which equips ships with a capability to interdict the communications and address and offset elements of adversary kill chains by 2020. PB-16 adds an advanced geo-location capability to SSEE Increment F, which contributes to defeating the "left side" of the adversary's ballistic missile kill chain and C4ISR systems. It also increases our investment in upgraded electromagnetic sensing capabilities for surface ships via the Surface Electronic Warfare Improvement Program (SEWIP) Block 2 that will deliver in 2016, procuring an additional 14 systems. PB-16 begins low rate initial production of SEWIP Block 3 in 2017 to add jamming and deception capabilities to counter advanced anti-ship cruise missiles. PB-16 also stands up Real-Time Spectrum Operations (RTSO) as a Program of Record. RTSO will provide ships and strike groups the ability to sense, control, and plan the use of spectrum, detect interference, notify the operators of spectrum issues, and provide recommended actions allowing for command and control of the electromagnetic spectrum.

Our cyber capability continues to afford the Navy a competitive advantage, but we are growing increasingly concerned about potential vulnerabilities that could affect combat readiness. Recognizing these risks, in FY 2015 the Navy stood up a dedicated task force to evaluate our cyber security posture and manage our investment portfolio to ensure we are

spending money where it matters most. In addition to evaluating our cyber risk and informing our budget process, the task force will also recommend changes to the Navy's acquisition and management of our networks and cyber-connected systems.

Mine Warfare

To enhance our ability to counter mines in the Middle East and other theaters, our PB-16 program sustains investments in the LCS mine countermeasures mission package (MCM MP), completing initial testing of its first increment in 2015 and achieving full operational capability in 2019. The MCM MP provides significantly faster rates of waterspace mine clearance over legacy counterparts. PB-16 also sustains our interim AFSB, USS *Ponce*, in service through at least FY 2017. USS *Ponce* provides forward logistics support and command and control to MCM ships and helicopters, allowing them to remain on station longer and sustain a more rapid mine clearance rate. In the near-term, PB-16 continues funding for Mk 18 *Kingfish* unmanned underwater vehicles (UUV) and *Sea Fox* mine neutralization systems deployed to the Arabian Gulf today, as well as increased maintenance and manning support for forward-deployed MH-53 airborne mine countermeasures platforms and *Avenger*-class MCM ships forward based in Bahrain.

Readiness

Afloat Readiness

PB-16 funds ship operations to 45/20 (deployed/non-deployed) steaming days per quarter. Overseas Contingency Operations (OCO) funds an additional 13/4 days (deployed/non-deployed), providing the training and operations required to meet our FY 2016 GFMAP commitment. PB-16 baseline funds ship maintenance to 80% of the requirement, with OCO funding the remaining 20%, to continue life cycle maintenance reset of CVNs and surface force ships. To address the workload to be completed in our public shipyards, Navy funds additional workforce (up to 33,500 Full Time Equivalent workers by FY 2017) and will send selective submarines to private shipyards in FY 2016 and FY 2017.

With respect to the Flying Hour Program, PB-16 achieves deployed readiness levels of T2.5/T2.0 (USN/USMC) in accordance with guidance for all carrier air wing (CVW) aircraft.³ Navy funds Aviation Depot Maintenance to 83% of the requirement, which puts the depots at capacity. As Aviation Depot Maintenance throughput improves, the associated F/A-18 flying hours and depot maintenance budgets will increase to the more notional level of 77%. PB-16 increases Navy Expeditionary Combat Command FY 2016 base funding from 42% to 80%. OCO funds the remaining 20%.

Year after year, the Navy has consistently provided more global presence than authorized and adjudicated by the GFMAP. In 2013 and 2014, for example, Naval forces provided six percent and five percent more forward presence, respectively, than planned due to emergent

³ Due to extended depot repair time, F/A-18A-D availability is reduced and shortfalls in aircraft will be borne by non-deployed forces. As more legacy F/A-18s approach their 6,000 hour design life and are inducted for assessment and life extension to 8,000 or 10,000 hours, aviation depots are experiencing production challenges resulting in longer-than-expected repair cycle times for these aircraft. Navy has taken steps to better maintain and repair these legacy aircraft and expects to improve depot productivity by 2017, with the backlog fully recovered by 2019. In PB-16, Flying Hours for these aircraft will reflect the maximum executable profile and achieve T2.0 for deployment, with tailored T-ratings through the training cycle.

operations and unanticipated contingencies. This unbudgeted usage amounted to greater than 2,200 days in theater over that planned in 2013 and greater than 1,800 days in theater over that planned in 2014. We should operate the Fleet at sustainable presence levels, in order for the Navy to meet requirements while still maintaining material readiness, giving ships time to modernize, and allowing them to reach their expected service lives.

Ashore Readiness

To comply with fiscal constraints, we are compelled to continue accepting risk in shore infrastructure investment and operations. PB-16 prioritizes nuclear weapons support, base security, and airport/seaport operations while maintaining our commitment to quality of life programs for our Sailors and Families. We are funding the sustainment, restoration, and modernization of our facilities at a level to arrest the immediate decline in the overall condition of our most critical infrastructure. Although FY 2016 marks an improvement in the facilities funding when compared to PB-15, Navy is still below the DoD goal for facilities sustainment. Facilities sustainment also declines in the PB-16 FYDP in order to preserve the operational readiness of our Fleet. When restoring and modernizing our infrastructure, we intend to prioritize life/safety issues and efficiency improvements to existing infrastructure and focus on repairing only the most critical components of our mission critical facilities. By deferring less critical repairs, especially for non-mission-critical facilities, we are allowing certain facilities to degrade and causing our overall facilities maintenance backlog to increase. We acknowledge this backlog must eventually be addressed.

Navy will exceed the minimum 6% in capital investment in Naval Shipyards and Depots described in 10 USC 2476, with a projected 7.4% in FY 2016. Additionally, we are on track to exceed the target in FY 2015 with a projected 6.3% investment. Our Naval Shipyards and depots are critical to maintaining the warfighting readiness of our force, and Navy will continue to prioritize investments to address the most critical safety and productivity deficiencies.

Audit Readiness

Navy is on course to achieve full auditability on all four financial statements by the end of FY 2017, a legislative mandate. An audit of the Schedule of Budgetary Activity (SBA), began in December 2014. This initial audit is a critical step to identify any weaknesses in business systems and business processes. The Navy's Audit Plan has been greatly improved by lessons learned from our sister Service, the United States Marine Corps, which achieved a clean audit on their SBA in 2013. The remaining challenge to meeting the FY 2017 mandate is to achieve auditability on the other major financial statement, Navy's Balance Sheet. Audit readiness on the Balance Sheet depends primarily on the accuracy of the multi-billion-dollar Asset line; the Navy has been executing a plan to bring Service-wide accountability for major assets (by amounts and value) into compliance with financial audit standards. The Navy is confident that it will be able to undergo an audit of all of its financial statements by FY 2017 to meet the Congressional requirement.

Family Readiness

Family readiness is fully integrated into our Navy's call to be ready. PB-16 continues to provide support for critical programs that support our Sailors and their Families so that they can adapt to, and cope with, the challenges of balancing military commitment with family life. Navy Fleet and Family Support Centers ensure military families are informed, healthy, and resilient

through robust programs that include: relocation assistance; non-medical and family counseling; personal and family life education; personal financial management services, information and referral services; deployment assistance, domestic violence prevention and response services, exceptional family member liaison; emergency family assistance and transition assistance. Increased stress and longer family separations have amplified program demand and underlined the importance of these support programs and services to ensure the psychological, emotional, and financial well-being of our Sailors and their Families.

Navy Child and Youth Programs continue to provide accessible, affordable, and high-quality child and youth development programs through child development centers, youth centers, child development homes, and contract child care spaces. All Navy child development centers are DoD certified and nationally accredited, and provide consistent, high-quality care at affordable rates based on total family income.

Military Construction

The PB-16 Military Construction program includes 38 projects valued at almost \$1 billion to invest in our construction worldwide. We have prioritized funding to enable IOC of new platforms such as LCS, P-8A, F-35C, MH-60, and MQ-4C through the construction of hangars, mission control centers, and various support and training facilities. We are also supporting Combatant Commander requirements by constructing a land-based Aegis site in Poland and upgrading port facilities in Bahrain. A portion of MILCON funds will recapitalize infrastructure in three naval shipyards and improve the resiliency of utilities systems at seven bases. Three projects will improve the quality of life for our Sailors and their Families by addressing unaccompanied housing issues in Florida and Maryland and constructing a new child development center in Japan.

Health of the Force

We measure and track the health of our force using Navy-wide metrics on recruiting, retention, manning levels; unit operational tempo; individual tempo (how often individual Sailors are away from home); morale; stress; sexual assault rates; suicide rates; alcohol-related incidents, and other factors. Based on a comprehensive study of these metrics and trends, today we rate the overall health of our Navy force as good. Our Sailors are our most important asset, they are our “asymmetric advantage,” and we have invested appropriately to keep a high caliber all-volunteer force. At work, the Navy is committed to providing our Sailors a challenging, rewarding professional experience, underpinned by the tools and resources to do their jobs right. Our obligations don’t stop at the bottom of the brow. I remain focused on dealing with enduring challenges that relate to the safety, health, and well-being of our people, no matter where they are located. We also support our Navy Families with the proper quality of life in terms of compensation, professional and personal development, and stability (i.e., deployment predictability). Navy’s 21st Century Sailor Office (OPNAV N17), led by a flag officer, continues to integrate and synchronize our efforts to improve the readiness and resilience of Sailors and their Families. Specific initiatives that we continue to support in PB-16:

21st Century Sailor Programs

Suicide Prevention

Preventing suicide is a command-led effort that leverages a comprehensive array of outreach and education. We continue to raise awareness regarding the combination of indicators most common to suicide-prone individuals such as post-traumatic stress, relationship problems, legal and financial problems, periods of transition and mental health issues. We have launched several key initiatives including: (1) mandatory Operational Stress Control (OSC) skills training for units within six months of deployment, (2) new guidance for Navy unit commanders and health professionals to reduce access to lethal instruments under certain conditions, (3) an interactive, scenario-based suicide prevention training tool, (4) an OSC curriculum specific to our Reserve Sailors, and (5) specialized Chaplain Corps professional development training on suicide prevention. Our Sailors continue to learn about the bystander intervention tool known as "A.C.T." (Ask – Care – Treat). We also invest in the resilience of our people to help them deal with any challenge.

Resilience

Our research shows that a Sailor's ability to steadily build resilience is a key factor in navigating stressful situations. Education and prevention initiatives train Sailors to recognize operational stress early and to use tools to manage and reduce its effects. Our Operational Stress Control (OSC) program is the foundation of our efforts to teach Sailors to recognize stressors in their lives and mitigate them before they become crises. We expanded our OSC mobile training teams, developed Bystander Intervention to the Fleet training, and deployed resiliency counselors on our aircraft carriers and large deck amphibious ships. The 21st Century Sailor Office is also conducting a Total Sailor Fitness curriculum review and developing a Resilience Management System to automate the collection and reporting of all destructive behaviors and better coordinate and integrate our resilience efforts. We also launched a new campaign across the Fleet in 2015 called "Every Sailor, Every Day," which emphasizes personal responsibility and peer support, so that Sailors are even more empowered to look out for and help other Sailors.

Sexual Assault

The Navy continues to pursue a deliberate strategy in combatting sexual assault. We continue to focus on preventing sexual assaults, ensuring victims are fully supported, improving investigation programs and processes, and ensuring appropriate accountability. These efforts include making sexual assault forensic exams available on all ships and 24/7 ashore, having a cadre of professional and credentialed sexual assault response coordinators and victim advocates, special victim trained investigators and JAGs, and ensuring commands take all reports of sexual assault seriously and support the victim. We will enhance our response efforts by full implementation of deployed resiliency counselors on large deck ships, enhanced NCIS investigative capability using specially training Master-at-Arms, and continued legal assistance to victims through our Victims Legal Counsel program.

Sustaining a professionalized response and victim advocacy system remains the top priority, but preventing sexual assaults in the first place is an imperative. Our strategy focuses on improving command climate, strengthening deterrence measures, and encouraging bystander intervention. To facilitate the latter, we trained facilitators to lead small, peer-group interactive discussions using various scenarios. Likewise, we have focused on raising awareness and

accountability regarding retaliation to reduce the potential for re-victimization. A RAND survey of DoD found that 53% of retaliation is “social” or “peer,” so we are focusing in on that area. Navy efforts are aligned with SECDEF direction to enhance first line supervisor skills and knowledge in recognizing signs of possible acts of retaliation. Recent Navy survey results show that prevalence of sexual assaults is decreasing, but we remain fully committed to creating and sustaining a culture where Sailors understand the importance of treating Shipmates with dignity and respect at all times, in all places.

Manpower

End Strength

PB-16 supports an FY 2016 Navy active end strength of 329,200 and reserve end strength of 57,400. It appropriately balances risk, preserves capabilities to meet current Navy and Joint requirements, fosters growth in required mission areas, and provides support to Sailors, Navy Civilians, and Families. Programmatic changes tied to force structure and fact-of-life additions resulted in modest PB-16 active component end strength growth. Examples of force structure-related changes include retaining personnel for CVN 73 and its air wing, restoring manpower to nine cruisers that will remain in operation, and building crews for new construction destroyers (DDG 51, DDG 1000) and submarines (*Virginia* Class). PB-16 end strength remains fairly stable across the FYDP, reaching approximately 330, 000 active and 58,900 reserves in FY 2020.

Sea Duty

Navy continues to emphasize and reward sea duty. Aggregate Fleet manning (what we call “fill”) increased from 93% in FY 2013 to 96% in FY 2014, the equivalent of roughly 3,500 more Sailors aboard surface ships. Also, we are very close to achieving our goal of ensuring that more than 90% of our Sailors are serving in jobs at the required grade with requisite experience and training (what we call “fit”). Navy is committed to reducing deployment lengths to seven months, but in recognition of those who have been experiencing longer deployments (over 220 days), in 2014 we began providing additional pay called Hardship Duty Pay-Tempo (HDPT). We have also incentivized and rewarded sea duty, in general, by increasing Sea Pay.

Personnel Management

Recruiting and Retention

Navy recruiting and retention remain strong, although retaining personnel in certain critical skills continues to present a challenge, particularly as the demands we place on Sailors and their Families remain high. The threat of looming sequestration, along with a recovering economy, is a troubling combination. We are beginning to see downward trends in retention, particularly among pilots, nuclear-trained officers, SEALs, and highly-skilled Sailors in information technology, Aegis radar and nuclear specialties. We are using all tools at our disposal, including special and incentive pays, to motivate continued service in these critical fields.

Gender Integration

Integrating women across the force remain top priorities, because they allow the Navy to tap into the Nation’s rich talent pool. Over 96% of all Navy jobs are currently available to women and we expect to open all occupations by early next year. We are also focused on retaining women warfighters by increasing career flexibility through initiatives like the Career

Intermission Program, which allows service-members to take a hiatus from their careers for up to three years to pursue personal priorities before re-entering the force. One of our major thrusts in FY 2016 is to increase female accessions of both officer and enlisted in order to provide greater female representation in all operational units by 2025. We are setting a goal of increasing female enlisted accessions to 25% and changing the mix of ratings available to provide greater operational opportunity for women to serve. Integration of women into the submarine force is tracking well.

Diversity

Demonstrating our continued commitment to diversity, Navy recently established a Diversity Policy Review Board, chaired by the Vice Chief of Naval Operations. Individual community self-assessments focused on diversity trend analysis are also vetted at my level to ensure each warfighting enterprise remains free of barriers to advancement and committed to equal opportunity to our entire talent pool without regard to race, gender, country of origin, or religion. Additionally, Navy offers a range of Science, Technology, Engineering, and Mathematics (STEM) education and outreach programs to generate interest by the Nation's youth in these fields and open up opportunities for them to consider potential Navy careers where STEM expertise could be applied.

Quality of Service

Navy continues to invest in projects designed to improve Sailor's quality of service, which has two components: (1) quality of work, and (2) quality of life. Further, all funds saved through "compensation reform" are directly invested in quality of work and quality of life programs. PB-16 invests in quality of service initiatives such as barracks and training building improvements, greater travel and schools, expanded use of tactical trainers and simulators, and increased funding for spare parts and tools. It also leverages smart technology devices and applications through an "eSailor" initiative to enhance training, communication and Sailor career management ashore and afloat.

Talent Management

As our economy improves and the labor marketplace becomes even more competitive, the battle for America's talented youth in service continues to heighten. Today's generation, while remarkably similar in their desire to serve as the rest of us, have different expectations for a career of service. Meanwhile, our personnel policies and information systems are rooted in the assumptions of a previous era. Much like any legacy weapons system, that personnel and learning structure is in need of modernization. Thus, we are examining initiatives to modernize how we manage our future force, for example: (1) phase out strict Year-Group management practices in favor of a milestone-based promotion system, (2) improve lateral flows between reserve and active components to offer more agile pathways of service, and (3) upgrade our information technology, software, and tools to enable a more mobile, flexible, and accurate personnel delivery system. Further, we plan to build upon our cultural strengths through a number of family-centered initiatives, such as expanded child development and fitness resources, along with greater career flexibility for dual-military and dual-professional Families to grow together while serving our Nation.

Transition Assistance

A new Transition Goals, Plans, Success (GPS) curriculum replaced the 20-year old Transition Assistance Program (TAP) to improve career readiness standards and assist separating Sailors. The mandatory five-day core curriculum provides Veterans Affairs benefits briefings, the Department of Labor employment workshop, financial management and budgeting, and military to civilian skills crosswalk. Moreover, the DoD Military Life Cycle (MLC) Transition Model, implemented in 2014 in the Navy, is working to begin a Sailor's transition preparation early in their career, by providing opportunities to align with civilian standards long before their intended separation, to achieve their post-military goals for employment, education, technical training, or starting a business.

Character Development

At all levels in the Navy, we emphasize a culture of integrity, accountability, and ethical behavior. All of these make up the character of our leaders. Good character enables unconditional trust throughout our ranks. This is essential to succeed as a unified, confident, and interdependent team. It must be inherent in all our operations.

Navy continues to emphasize character development as a priority in our overall leader development efforts, which are outlined in Navy's 2013 *Navy Leader Development Strategy*. In 2014, we established the Naval Leadership and Ethics Center, which serves as the means by which we guide our efforts. This new command, alongside our Command Leadership School, Senior Enlisted Academy, and Leadership and Ethics programs at the Naval War College, expand and improve character development initiatives at every level. We are developing an ethics curriculum (courses and modules) that will be embedded in schoolhouses across the Fleet. We are also strengthening our Navy Leader Development Continuum, which is the way in which we facilitate development of both officers and enlisted throughout all phases of their careers. We are not learning alone; we draw insights and share best practices with our sister Services. The Navy is committed to inculcating into every member of our profession the key attribute of good character. It reflects our Navy heritage and the citizens of our Nation expect that we uphold the highest standards of behavior and performance in the execution of duties.

Navy Reserve Force

Our Navy responded to extraordinary challenges over 13 years of war with the help of Reserve Sailors. The men and women of our Navy Reserve have increasingly put their civilian careers on hold in order to operate forward, provide critical support to Fleet and Combatant Commanders, and enhance the performance of the Joint Force. The Navy Reserve is a valuable hedge against an uncertain and challenging security environment; they augment the Fleet with unique skills to see us through any challenge. Since 9/11, reserve contributions to the active duty Navy component have been significant - over 73,000 Navy Reserve Sailors were mobilized in support of global contingency operations, providing tens of thousands of "boots on the ground" in Iraq, Kuwait, Bahrain, Afghanistan, and the Horn of Africa, as well as supporting key missions like those at Joint Task Force-Guantanamo Bay. On any given day, nearly 25% of the Navy Reserve force directly supports the Navy worldwide—about 15,000 Sailors.

Based on our annual assessment of the active/reserve mix, PB-16 continues investments in expanding critical capabilities within the Reserve component including: (1) surge maintenance, by selectively targeting reservists who bring specific, valuable civilian skill sets to

the Navy Total Force; (2) intelligence support, by realigning end strength to support this vital mission; (3) cyber warfare, by ensuring the appropriate mix of reserve manning to augment the active Navy capability; and, (4) high value unit escort, by leveraging the Navy Reserve's ability to fill short notice requirements using Reserve Coastal Riverine Force units to assume CONUS high value unit escort missions from the Coast Guard. PB-16 maintains several vital reserve capabilities, including all of the Navy-unique Fleet essential airlift assets (C-40A and C-130). These enable the Navy to meet short-notice, mission-critical airlift requirements more responsively than any other logistics option. It also supports Airborne Electronic Attack by fully funding a reserve airborne electronic attack squadron, which is an integral component of Navy's cyclic operational expeditionary airborne electronic attack deployment capability.

Conclusion

For the last three years, the Navy has been operating under reduced top-lines generating capability shortfalls amounting to \$25 billion less than the President's Budget requests. With each year that the Navy receives less than requested, the loss of force structure, readiness, and future investments cause our options to become increasingly constrained. Navy has already divested 23 ships and 67,000 personnel between 2002 and 2012. And we have been assuming significant risk by delaying critical modernizations of our force to keep pace and maintain technological advantage.

Unless naval forces are properly sized, modernized at the right pace, ready to deploy with adequate training and equipment, and able to respond with the capacity and speed required by Combatant Commanders, they will not be able to carry out the defense strategy, as written. Most importantly, when facing major contingencies, our ability to fight and win will not be quick nor as decisive as required. To preclude a significantly diminished global security role for the Nation's military, we must address the growing mismatch in ends, ways, and means.

The world is more complex, uncertain, and turbulent; this trend will likely continue. Our adversaries' capabilities are modernizing and expanding. It is, therefore, vital to have an adequate, predictable, and timely budget to remain an effective Navy. PB-16 proposes the best balance of Navy capabilities for the authorized amount of funding, and enables the Navy to conduct the ten primary missions outlined in the President's DSG and the QDR. But, there is considerable risk. PB-16 is the absolute minimum funding needed to execute our DSG. Should resources be further reduced below PB-16 levels, the DSG will need to be revised. If sequestration is implemented in FY 2016, it will damage our national security.

I thank this committee for their abiding support and look forward to working together to develop viable options for our Nation's future.

Mr. FRELINGHUYSEN. General Dunford, good morning. Thank you for being with us.

SUMMARY STATEMENT OF GENERAL DUNFORD

General DUNFORD. Thank you, Chairman Frelinghuysen, Ranking Member Visclosky, distinguished members of the committee. I appreciate the opportunity to appear before you today and I am honored to be here with Secretary Mabus and my shipmate, Admiral Greenert, to represent your Marines.

I will begin by thanking the committee for your steadfast support over the past 13 years. Due to your leadership, we feel that the best trained and equipped Marine Corps our Nation has ever sent to war.

I know this committee and the American people have high expectations for marines as our Nation's expeditionary force in readiness. You expect your marines to operate forward, engage with our partners, deter potential adversaries and respond to crises. And when we fight, you expect us to win.

You expect a lot from your marines and you should. This morning as you hold a hearing, over 31,000 marines are forward deployed and engaged doing just what you expect them to do. Our role as the Nation's expeditionary force in readiness informs how we man, train and equip the Marine Corps. It also prioritizes the allocation of resources that we receive from the Congress.

Over the past few years we have prioritized the readiness of our forward deployed forces. Those are the forces you count on for an immediate response in a crisis. Those are the forces that supported the recent evacuation of U.S. citizens in the South Sudan, Libya and Yemen. Those are the forces currently conducting strikes in Syria, in Iraq, training the Iraqi army and protecting our embassy in Baghdad. Those are the 22,500 marines in the Pacific west of the dateline.

I can assure you that your forward deployed marines are well-trained, well-led, and well-equipped. We have had to make tough choices to deal with the effects of two wars, sequestration in 2013, and reduced budgets in 2014 and 2015, in order to maintain the readiness of our forward deployed forces. We have not sufficiently invested in our home station readiness, modernization, infrastructure sustainment and quality-of-life programs. As a result, approximately half of our non-deployed units, and those are the ones that provide the bench to respond to unforeseen contingencies, are suffering several personnel, equipment and training shortfalls. In a major conflict those shortfalls result in delayed response and/or the unnecessary loss of young American lives.

Over time, underinvesting in modernization will result in maintaining older or obsolete equipment at a higher cost and degraded capabilities. It will eventually erode our competitive advantage. We do not ever want our marines and sailors in a fair fight.

The readiness challenges we have today provide context for my message this morning. We can meet the requirements of the Defense Strategic Guidance with the President's budget, but there is no margin. BCA funding levels will exacerbate the challenges that we have today. It will also result in a Marine Corps with fewer available Active Duty battalions and squadrons than would be re-

quired for a single major contingency. Perhaps more concerning it will result in fewer marines and sailors being forward deployed and in a position to immediately respond to a crisis involving diplomatic posts, American citizens or U.S. interests. As we saw in the wake of Benghazi the American people expect us to respond to today's crisis today. And we can only do that if we are properly postured forward.

In closing, my assessment is that funding below the President's budget level will require that we develop a new strategy. Thank you once again for the opportunity to appear before you this morning, and for your leadership in addressing today's fiscal challenges. I look forward to your questions.

Mr. FRELINGHUYSEN. Thank you, General.

[The written statement of General Dunford follows:]

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Subcommittee on Defense

STATEMENT OF

GENERAL JOSEPH DUNFORD

COMMANDANT

UNITED STATES MARINE CORPS

BEFORE THE

HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE

ON

26 FEBRUARY 2015

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Introduction

The Marine Corps is *the* Nation's expeditionary force-in-readiness. Congress, specifically and uniquely, structured and prescribed the role of the Marine Corps as a "...balanced force-in-readiness, air and ground...to suppress or contain international disturbances short of large scale war." Under this mandate, Marines are forward-deployed, forward-engaged, and postured to shape events, manage instability, project influence, and immediately respond to crises. As an inherently joint combined arms team, Marines assure access and enable heavier contingency forces to deploy from the United States in response to a major contingency.

Also, to meet the intent of the Congress, the Marine Corps must maintain a high state of combat readiness. We look at readiness through the lens of our 5 pillars of readiness – high quality people, unit readiness, capacity to meet the combatant commanders' requirements, infrastructure sustainment, and equipment modernization. These pillars represent the operational and foundational components of readiness across the Marine Corps. Our role as America's 9-1-1 force informs how we man, train, and equip our force, and how we prioritize and allocate resources across the pillars of readiness. While we will always ensure that our forward deployed Marines and Sailors are properly manned, trained and equipped, we seek to maintain balanced investment across the pillars to ensure current and future readiness. We emphasize that all Marines and all Marine units are physically and mentally ready to deploy to any clime and place, at any time.

The Marine Corps is a force of economy. For 6.0% of the defense budget, the Marine Corps provides 21% of the Nation's infantry battalions and 15% of the fighter/attack aircraft. These capabilities, organized as Marine Air Ground Task Forces with an organic logistical element,

provide the Nation with affordable insurance and a strategic hedge in an era of uncertainty and unprecedented complexity.

Strategic Landscape

The challenges of the future operating environment will demand that our Nation maintains a force-in-readiness that is capable of global response. The strategic landscape will be characterized by competition for natural resources, violent extremism, natural disasters, social unrest, cyber-attacks, regional conflict, and proliferation of advanced weaponry and weapons of mass destruction. The expansion of modern conventional and cyber weapons to a broader range of state and non-state entities, along with the erosion of U.S. technological advantages in areas where we have long enjoyed relative superiority, is likely to continue. Further, the actions of transnational criminal organizations and violent extremist groups will continue to contribute to regional unrest and instability that directly threaten U.S. interests through piracy, trafficking and terrorism. The U.S. must expect a security landscape characterized by volatility, instability and complexity, and a growing potential among adversaries to employ weapons of mass destruction.

As Marines, we view global security challenges from a maritime perspective. The majority of these challenges reside in the congested and diverse areas where the sea and land merge—the littorals. Today, more than 80% of the world's population currently resides within 100 miles of a coastline and this proportion is continuing to rise. Most maritime activities such as commercial shipping, fishing, and oil and gas extraction take place within 200 miles of the shore. It is no accident that the so-called "Arc of Instability" encompasses the littoral areas of South Central Asia, the Middle East, Africa. These geographic and demographic trends indicate a future security environment with a significant maritime element.

We expect that the next 10 years will be largely characterized by small-scale crises and limited contingencies in and around coastal environments. Should major operations and campaigns occur, they are likely to involve a significant maritime and littoral dimension. Ready, responsive, flexible and strategically mobile naval forces are essential to ensuring continued access and security in the global commons. The increased likelihood of operations in the littorals demands the Marine Corps focus on its Title 10 responsibilities to be organized, trained and equipped to come from the sea across the range of military operations.

America's responsibility as a world leader requires an approach to the current and future strategic landscape that leverages the forward presence of our military forces in support of our diplomatic and economic approaches. As stated in the 2012 President's Defense Strategic Guidance, "The United States will continue to lead global efforts with capable allies and partners to assure access to and use of the global commons, both by strengthening international norms of responsible behavior and by maintaining relevant and interoperable military capabilities." The Marine Corps' unique capabilities support this strategic approach.

Your Marines

In 2014, Marines responded to crises around the world and remained forward-deployed and forward-engaged managing instability, building partner capacity, strengthening alliances, and projecting influence. Your Marines demonstrated the relevance of expeditionary naval forces by executing more than 30 amphibious operations, 150 Theater Security Cooperation (TSC) events, and 130 exercises around the globe. While we have drawn down our forces in Afghanistan, our operational tempo remains extraordinarily high. Most Marines in the operating forces are

deploying for 7 months and spending at or below 14 months at home before redeploying. There is a strong demand signal for Marines and tailored Marine Air Ground Task Forces.

OEF-Afghanistan

In 2014, the Marine Corps contributed to the mission in Afghanistan by training, advising and assisting the Afghanistan National Security Forces (ANSF) and supporting the fight against terrorism in Southwest Asia. Our operations focused on ensuring the success of the Afghanistan elections in the summer of 2014 and transitioning security responsibilities to the ANSF. With Marines serving in an advisory capacity, the ANSF retained control of all district centers in Helmand Province. Regional Command (SW) also turned over operational responsibilities to the International Security Assistance Force Joint Command facilitating redeployment of Marine Expeditionary Brigade-Afghanistan (MEB-A) to home station. Today, a residual Marine presence continues to support the Resolute Support Mission (NATO)/OPERATION FREEDOM'S SENTINEL (US) in Afghanistan.

In more than 13 years of combat operations, 377 Marines were killed and 4,946 injured in Afghanistan. We remember their selfless service and many sacrifices. Our success in RC-SW is directly related to the high quality men and women in our ranks, the training that prepared them to face the rigors of combat, and the equipment that provided protection and a tactical edge over the enemy. Due to the enduring support of Congress and the American people, the Marines who fought in Afghanistan had the training and equipment necessary to accomplish the mission. The full support of Congress for a variety of initiatives such as Mine Resistant Armor Protected Vehicles (MRAPs) and upgraded individual protective equipment saved lives and enhanced combat effectiveness.

Amphibious Ready Group/Marine Expeditionary Unit (ARG/MEU) Operations

Our preferred method of deploying our Marines is aboard Navy amphibious ships to form ARG/MEU Teams. These are the Nation's most-ready, forward-postured forces. This capability provides strategic speed, agility, and options to our National Command Authority. They operate in international waters retaining flexibility for the Geographic Combatant Commander (GCC) while respecting the sovereign territory of individual nation states. The ARG/MEU team can respond faster from longer ranges with greater capabilities across the ROMO than any other conventional forces in the Department of Defense and are also capable of enabling Joint, interagency and coalition forces. In 2014, the 11th, 13th, 22d, 24th, and 31st Marine Expeditionary Units (MEU) deployed and contributed to combatant commander requirements by participating in numerous exercises and operations throughout the CENTCOM, PACOM, AFRICOM, and EUCOM areas of responsibility (AORs). When required, the ARG/MEU has the scalability and versatility to respond to simultaneous emergencies. Last summer, the 22d MEU/Bataan ARG was operating in the CENTCOM AOR conducting operations in Yemen. When needed, elements of the ARG/MEU rapidly transited into the Mediterranean Sea to support the suspension of embassy operations in Libya and relocation of its staff. During their return, they launched a force over 1200 miles to contribute to the initial response to counter ISIS. Concurrently, elements of the ARG/MEU continued to support U.S. operations in Yemen. Over the last year, we have also increased collaboration with SOF, significantly improving our complementary capabilities.

Due to their forward presence, flexibility, ability to respond quickly and the decision space they afford our leaders, ARG/MEU's continue to be in high demand. Unfortunately, the Navy and Marine Corps can meet less than half of the GCC ARG/MEU crisis response force demand

based on the ARG shipping available for tasking. Today, available expeditionary Navy/Marine Corps forces stand ready aboard ships to assure allies, deter potential adversaries, and provide persistent U.S. presence. Our Marines are forward deployed, with little to no footprint ashore, to respond and protect U.S. national security interests around the globe.

Special Purpose Marine Air Ground Task Force – Crisis Response (SPMAGTF-CR)

Operations

With the high demand for Marine crisis response capabilities and the shortage of amphibious platforms from which to forward deploy forces, SPMAGTF-CRs were developed. While they don't provide the flexibility and responsiveness of an ARG/MEU, they mitigate a capability gap for the combatant commanders. Our SPMAGTF-CRs are tailored to respond to crisis and also conduct security cooperation activities with partner nations in order to develop interoperability, facilitate access, build partner capacity and security relationships, and gain regional understanding. This past year, SPMAGTF-CR units assigned to AFRICOM positioned forward in Moron, Spain and Signonella, Italy safeguarded the lives of our diplomatic personnel and conducted military-assisted departures from the U.S. Embassy in South Sudan in January and our embassy in Libya in July. The Marine Corps SPMAGTF-CR unit assigned to CENTCOM (SPMAGTF-CR-CC) became fully operational on 1 November 2014 and deployed to the CENTCOM AOR. Since November, SPMAGTF-CR-CC conducted embassy reinforcement, TSC exercises, and provided critical aviation and ground capabilities in the fight against ISIL. Most recently, Marines from SPMAGTF-CR-CC supported the evacuation of our Embassy in Sana'a, Yemen. A third SPMAGTF deployed in support of Southern Command from June to September aboard USS AMERICA on her transit around the South American continent and

executed partner-nation activities, key leader engagements and security cooperation activities.

The placement of these Marine Corps tailored task force capabilities forward, where GCC's need them, provides enhanced diplomatic protection and additional crisis response options.

Marine Corps in the Pacific

The Marine Corps' activities in the Pacific are led by III Marine Expeditionary Force headquartered on Okinawa, Japan. This past year, III MEF conducted 52 operations and exercises. In 2014, III MEF conducted Exercise Ssong Yong – the largest amphibious exercise of the year with our Korean allies further demonstrating the U.S. commitment to South Korea. III MEF plays an important role in maintaining stability in East Asia and significantly contributes to peace and prosperity throughout the region. A number of TSC exercises were conducted using Maritime Prepositioning Ships (MPS). While these platforms were designed to deliver heavy equipment for a major contingency, adapting them for day-to-day engagement enabled us to better support the combatant commander's theater campaign plan and mitigated the number of amphibious lift in the Pacific.

The Marine Corps continues to rebalance its force lay-down in the Pacific to support the Defense Strategic Guidance (DSG). The Distributed Laydown's planned end state of four geographically distributed, politically sustainable and operationally resilient MAGTFs in the Pacific (Australia, Guam, Japan, and Hawaii) is a long term effort that will span the next 15 years. In 2014, we met the Secretary of Defense's guidance to have 22,500 Marines west of the International Date Line, forward based and operating within the Asia-Pacific Theater. Marine rotational force-Darwin (MRF-D), based at Robertson Barracks, is in its third year of execution, and has rotated 1,263 Marines through Darwin conducting bi-lateral training and exercises. This

rotational force provides MARFORPAC and PACOM with a ready and deployable MAGTF capable of Humanitarian Response/Disaster Relief (HA/DR), TSC, and crisis response operations. MRF-D has strengthened our alliance with our Australian allies and provided the GCC an immediate response option in the wake of an unforeseen crisis.

Black Sea Rotational Force, Embassy Security Forces, and Theater Security Cooperation (TSC)

Marine Corps operational commitments span across all GCCs contributing to stronger alliances, stable international order, and security for our diplomatic stations. In the Republic of Georgia, the Marine Corps prepared three Georgian infantry battalions for their deployment to Afghanistan. There, the Georgian forces provided force protection and executed Quick Reaction Force (QRF) missions as the ISAF mission transitioned to the Resolute Support Mission (RSM). Enabling the deployment of Georgian battalions reduced the requirement for U.S. forces in Afghanistan while providing the Commander with the requisite capabilities.

In support of our strong commitment to the security and stability in Europe, Marines of the Black Sea Rotational Force (BSRF) mission conducted hundreds of TSC activities in EUCOM and provided a significant crisis response option for the EUCOM commander. Additionally, Fleet Anti-Terrorism Security Teams (FAST) provided forward-deployed platoons to four Geographic Combatant Commanders in support of dynamic mission tasking such as embassy reinforcement in Baghdad, Iraq and Sana'a, Yemen.

The 2015 President's National Security Strategy emphasizes the security of American citizens. This past year the Marine Corps worked closely with the State Department to increase baseline security at high risk embassies and consulates. Today Marines are routinely serving at

173 embassies and consulates in 141 countries around the globe. In 2014, the Marine Corps Embassy Security Group added 237 Marine Security Guards (MSG) to new and current posts including Iraq, Lebanon, and Turkey. These Marines represent our initial installment towards the additional 1,000 MSG requirement from Congress. The Marine Security Augmentation Unit (MSAU) also deployed 29 times at the request of the State Department executing 16 Embassy/Consulate security missions and 13 VIP (POTUS/VPOTUS/SECSTATE) security missions. MSAU Marines deployed to Iraq, Israel, South Korea, Chad, China, Poland, Philippines, France, Bahrain, Romania, Australia, Brazil, United Kingdom, Kenya, Ukraine, South Sudan, Turkey, Mexico, and Thailand.

Fiscal Year 16 Budget Priorities

The President's Budget for FY16 (PB16) allocates \$24 billion to the Marine Corps' baseline budget. To meet our responsibilities as the Nation's 9-1-1 force, we prioritized near-term readiness while assuming risk in our home station readiness, modernization, infrastructure, and quality of life programs. We will attempt to reestablish an acceptable balance across the 5 Pillars of Readiness across the future year's defense plan. The following is a detailed description of the Marine Corps' budget priorities supported by PB16 of Force Structure, ACV, JLTIV, JSF, CH-53K, C4 and naval programs of interest.

Force Structure

In 2010, the Marine Corps' internal force structure review concluded that the USMC's optimal size to meet the requirements of the President's National Security Strategy was 186,800. This optimal size gives the Marine Corps the capacity we need to meet current steady state

demand with a deployment-to-dwell (D2D) ratio greater than 1:2. We continue to support this review and conclusion. Today, the Marine Corps continues to execute its end-strength reductions that began during FY12, reducing the Corps from a high of 202,000. The Marine Corps is adjusting its active duty end-strength to 182,000 Marines by 2017, emphasizing the enduring requirement to provide crisis response forces that meet today's demand. We can meet the DSG at this level, but with less than optimal time between deployments to train and allow Marines to be with their families.

Our most significant readiness challenge is the gap in the numbers of unit leaders with the right grade, experience, technical and leadership qualifications associated with their billets. Specifically, our current inventory of Non-Commissioned Officers (NCOs) and Staff Non-Commissioned Officers (SNCOs) is not meeting our force structure requirements. This dynamic directly affects our training, maintenance, and discipline resulting in degraded readiness and combat effectiveness. The Marine Corps' PB16 military personnel budget funds a FY16 end-strength of 184,000 in our base and supports right-sizing our NCO corps to provide our Marines the small unit leadership they deserve.

Amphibious Combat Vehicle (ACV)

The Marine Corps appreciates the support of the Congress in restructuring the ACV program in the FY15 appropriations bill. That action has set us on a path to publishing a Request for Proposals (RFP) to industry in March of this year and enables a truly 'streamlined' acquisition process. Leveraging the stability of the Services' requirements and the mature technologies of non-developmental, modern, wheeled, armored combat vehicles, the combat developers and acquisition professionals have developed a way forward to field a capability for the Marines in as

little as 6 (vice 13 or more) years. Consistent with Marine Corps Ground Combat and Tactical Vehicle Strategy (GCTVS) and Expeditionary Force 21, the Amphibious Combat Vehicle (ACV) will be developed and procured in phases to incrementally field modern replacements for the aging Amphibious Assault Vehicle (AAV).

The program is based on the most current threat projections and anticipated operational requirements, and is fully informed by the real world challenges that our Marines have faced during 14 years of sustained combat. The ACV will provide our ground maneuver forces the ability to negotiate the challenging urban and cross-country terrain of the littorals while protecting them from ballistic and explosive threats and supporting them with precision heavy machine gun fire.

The President's budget fully funds ACV 1.1 within the FYDP. PBI6 will buy 86 vehicles over the FYDP or approximately 42% of the 204 ACV 1.1 vehicles in the Approved Acquisition Objective (AAO). When Full Operational Capability (FOC) is achieved in FY23, we will have modernized two Assault Amphibian (AA) Companies currently equipped with four decades old AAVs with 204 new vehicles. ACV 1.1 plus the 1.2 increment are currently planned to modernize 6 of 10 AA Companies. With PBI6 funding, the Marine Corps will achieve Initial Operational Capability (IOC) which consists of an ACV platoon of 21 armored vehicles, providing protected amphibious lift to an infantry company. IOC is achieved when the platoon is fully equipped, the unit is fully trained and judged combat ready for deployment, and the required maintenance and support personnel are in place to sustain the unit.

The need for self-deploying, high-water speed vehicles remains our ultimate objective. The capability to come from the sea and operate in the littorals will be significantly dependent on the speed at which we can maneuver. ACV 1.1 provides a responsible and effective approach to

mitigating the age of our AAV fleet while investing in needed capabilities for tomorrow. We will continue to prioritize our science and technology efforts to field an amphibious combat vehicle that will fully support our operating concepts in the future.

Joint Light Tactical Vehicle (JLTV)

Over the past 14 years of combat, we found that the HMMWV utility vehicle was not adequate for the modern battlefield due to its vulnerability to improvised explosive devices (IEDs). In 2006, we began development of a light tactical vehicle that could combine the land mobility performance, transportability profile and payload of the HMMWV with the protection of a combat vehicle within the weight constraints of the expeditionary force. Today, the Joint Light Tactical Vehicle Program has three exceptionally strong designs in competition that will realize the initiating concept in production and deployment while increasing the protected mobility of the highest risk portion of the light combat and tactical vehicle fleet.

The JLTV program is in the engineering and manufacturing development (EMD) phase with Milestone C and the low rate initial production contract award scheduled for FY15. The PB16 supports the Marine Corps' strategy to reach IOC for JLTV in the 4th quarter of FY18 and FOC in the 4th quarter of FY21. IOC consists of one infantry battalion fully fielded with the JLTV plus a training element.

Maritime Prepositioning Force (MPF), MARSOC, and critical supporting establishment training units will also be allocated a portion of PB16 funded vehicles. Vehicles will be allocated by unit based on the JLTV Fielding Plan, currently in development in support of Milestone C decision in 4th quarter of FY15. PB16 will buy 4,476 vehicles over the FYDP, or

approximately 80% of the increment I – 5,500 vehicles – Approved Acquisition Objective (AAO).

Joint Strike Fighter (JSF)

Our tried and true F/A-18s, AV-8Bs and EA-6B Prowlers have performed magnificently in combat in Iraq and Afghanistan, providing our Marine riflemen the fires they needed, in every clime and place from sea bases large and small, and expeditionary bases ashore. With the help of Congress, we have kept these aircraft as modern as possible and extracted every ounce of readiness we can from them; however, the high operational tempo has pushed these aircraft to more rapidly approach the end of their service lives. Due to the uncertainty prevalent in today's global security environment, the Nation requires we maintain a capability to respond quickly in contested regions regardless of weather conditions. The F-35 Joint Strike Fighter, as part of the MAGTF, meets the Nation's needs.

The Marine Corps remains committed to the recapitalization of our aging TACAIR fleet through the procurement of the F-35. The JSF brings a new capability to the battalion sized forces that sail with our Marine Expeditionary Units. Today, there are a multitude of high risk regions where a crisis response operation would require large Joint strike packages to soften or blind the threat. These packages would have to include cruise missiles, fighter aircraft, electronic warfare platforms, aircraft which specialize in suppression and destruction of enemy air defenses, and strike aircraft - just for U.S. forces to gain access. Such strike packages require coordination across services and combatant commands and take weeks and months to assemble. This same kind of access can be attained with a single detachment of 4 to 8 F-35s - the same sized detachment which will reside with a Marine Expeditionary Unit. For major contingencies,

a surge of F-35Bs to our amphibious carrier decks and forward austere bases enables even greater options and striking power. The F-35 provides a transformational capability to the Marine Corps and the Joint Force. It gives our Nation a day one, full spectrum capability against the most critical and prohibitive threats.

The Marine Corps prioritizes putting our TACAIR as close to our infantry as we can by basing them from Amphibious Carriers or austere Forward Operating Bases (FOBs) and Forward Arming and Refueling Points (FARPs) ashore. This places the F-35's transformational capabilities in the hands of the infantry Marine. The Marine rifleman is now supported immediately with close air support, electronic warfare capabilities, and intelligence, surveillance, and reconnaissance support in threat and weather conditions which previously would have denied aviation support. The F-35's ability to develop, process, and display information to the pilot and disseminate it at tactical, operational, and strategic levels is what makes the platform truly unique, "a server in the sky" for the MAGTF. The sensors and communications equipment of our F-35s allow pilots and forward air controllers to see through the clouds to exchange high fidelity pictures in environments we would consider a no go today. Enhancing the C2, strike and intel capabilities of the MAGTF commander, the F-35 transforms the MAGTF into an element capable of penetrating any AOR in the world to set the conditions necessary to enable follow-on forces.

The Marine Corps has maintained the lead in this transformational platform. The F-35B and C models will replace the over 23 year old F/A-18 Hornet, 18 year old AV-8B Harrier and the 27 year old EA-6B Prowler; the same aircraft that have been passed from fathers to sons and daughters now serving. We have stood up our first two squadrons of F-35Bs and will stand up a third in 2016. PB16 supports the Marine Corps' timeline to achieve IOC of its first F-35B

squadron later this year and complete full transition by 2031. With the optempo expected to remain high, we will transition to F-35s as rapidly as possible. Continued Congressional support for this transition is key to increasing our degraded aviation readiness and minimizing our exposure to ever increasing operations and support costs for aged aircraft.

CH-53K

The CH-53E, the Marine Corps' heavy lift helicopter, is the only vertical heavy lift helicopter in the Department of Defense (DoD). Like its predecessors, the CH-53A/D, the CH-53E has continued a proud lineage of worldwide support of the Marine rifleman and Joint Force in various tactical and logistical capacities. Though a workhorse for the Marine Air Ground Task Force since its acquisition, the CH-53E does not have the capacity to support the Marine Expeditionary Brigade of 2024 with the payloads and ranges required to support the ship-to-objective maneuver concepts outlined in Expeditionary Force 21. Our CH-53 recapitalization effort is instrumental in maintaining a true heavy lift capability for the Marine Corps and the Nation for the future. Developmental testing is currently underway and the first flight of the CH-53K is scheduled for 2015 with an Initial Operational Capability in 2019. PB16 is instrumental in providing critical funding for the last test articles in support of a Milestone C decision in 2016.

The CH-53K will meet all of the requirements of the modern Marine Expeditionary Unit and Marine Expeditionary Brigade and remain the only heavy lift rotary wing asset in the DoD inventory. The CH-53K is a state of the art heavy lift vertical connector providing increased reliability, range and lift for the Marine Air Ground Task Force and Joint Force. The mainstay for the CH-53K will remain heavy lift external operations. To this end, its Key Performance Parameter (KPP) is the ability to externally transport a load weighing 27,000 pounds 110

nautical miles, nearly three times the capability of the CH-53E. Additionally the CH-53K will incorporate a triple hook system, facilitating the delivery of three independent loads, to three different locations, in support of three separate units dispersed across the battlefield. The new cabin will support the transportation of the DoD standard 463L pallet enabling more efficient “tail to tail” logistical transitions with C-5s, C-17s and C-130s. The implementation of civil sector logistical advancements will facilitate near real time situational awareness of all cargo and passengers embarked and delivered by the CH-53K. The CH-53K will provide precision and tempo for the Marine rifleman, enabling mission success.

PB16 provides Research, Development, Test and Evaluation (RDT&E) funding for the continued CH-53K System Development Demonstration contract which includes continued design, part qualification, developmental and operational test. Additionally, PB16 provides RDT&E funding for the incremental procurement of System Demonstration Test Articles 5 and 6, which will be used to ensure production readiness, quality system verification, and production planning and validation. We remain committed to our Program of Record of 200 CH-53Ks in order to keep Marine Corps’ heavy lift assets relevant and effective for the Marine on the ground in the future MAGTF.

Command, Control, Communications and Computers (C4)

Deployed warfighters require access to the right data at the right place at the right time. The demand for information will not tolerate a break in access. With the speed in which technology evolves today, we must continue to grow C4 capabilities down to the operational level. Information must be available through multiple mediums, from flag pole to fighting hole. Our end state is to enable command and control in an information enterprise that supports the way the

Marine Corps operates, which includes a range of missions from crisis response to supporting our Expeditionary Force 21 concept - all characterized by mission-tailored forces. A single Marine Corps network will support the Marine Corps' component of the Joint Information Environment.

Our main focus today is unifying our networks to seamlessly connect the deployed and engaged forces to Joint information and data. This provides our Marines, Sailors, and supporting personnel the persistent information needed to conduct operations. We continue to increase our cyber capacity with trained personnel and emergent technology to protect this critical data.

The Marine Corps must retain the ability to rapidly support the extension of the Marine Corps' information and data services to enhance our rapid response to crisis, provide contiguous command and control to a disaggregated force, and scale to support theater security and major combat operations. We will continue to invest in C4 down to the Corporals and Sergeants. This will allow our front line Marine rifleman to be more agile, lethal and responsive by directly leveraging the capabilities of the F-35 and communicating better with special operations forces.

Naval Integration and Programs of Interest

As the service with primary DoD Directive and Title 10 responsibility for the development of amphibious doctrine, tactics, techniques, and equipment, our capabilities are reliant on the Nation's investment in our partnered Navy programs. Naval integration will increasingly form an important component of our exercise and experimentation programs. The Marine Corps fully supports the Secretary of the Navy and CNO's efforts to balance amphibious platforms and surface connectors that facilitate operational maneuver from the sea and ship-to-objective maneuver with the other service requirements of the Navy.

The President's Budget investments in LPD-28, LX(R), and ship-to-shore connectors demonstrate our commitment to global maritime presence and the Nation's mandate to sustain an amphibious capability that can respond to deter, deny, and defeat threats on a global scale. We appreciate Congress providing a substantial portion of funding to procure a 12th LPD. The enhanced mission profiles of these new and additional platforms create operational flexibility, extended geographical reach, and surge capabilities to the Geographical Combatant Commands.

Naval investments in alternative seabasing platforms expand access and reduce dependence on land bases, supporting national global strategic objectives and providing operational flexibility in an uncertain world. The naval seabasing investments in the Mobile Landing Platform, the Large Medium-Speed Roll-on/Roll-off Ship (LMSR) strategic sealift ship, and the T-AKE Dry Cargo and Ammunition Ship as part of the Maritime Prepositioning Ship Squadrons, coupled with the Joint High Speed Vessel (JHSV) and connectors, provide the additional lift, speed, and maneuver necessary to augment Navy and Marine Corps future security capabilities. Although not a substitute for amphibious warships, these alternative lift platforms will complement amphibious ships.

While the President's Budget moves us in the right direction, it will take many years and a sustained effort to address the risk in the current number of amphibious ships and to address the material readiness of our current inventory. The Marine Corps will continue to work closely with the Navy to implement the 30 year ship building plan and to address the current readiness challenges.

Readiness

Proper balance across the 5 Pillars of Institutional Readiness is the most effective means of achieving a force capable of rapidly responding to challenges across the range of military operations while remaining good stewards of the Nation's resources. The 5 Pillars of Institutional Readiness involves operational readiness (i.e. Unit Readiness, and Capacity and Capabilities to Meet Requirements pillars) and foundational readiness (i.e. our investments in High Quality People, Infrastructure Sustainment, and Equipment Modernization pillars). The Marine Corps' ability to remain ready is enabled by the 5 pillars of readiness.

Our current funding level protects near-term readiness; however, it does so at the expense of long term modernization and infrastructure, threatening future readiness. We are funding critical readiness accounts to include: operating forces; depot, intermediate and organizational maintenance; repair and sustainment of training ranges, training and education, exercises, and fuel and repair parts. The Marine Corps is not adequately resourcing our non-deployed units; it will take time and sustained funding to address the deficiencies in personnel, equipment and training. This is a rational choice given the current fiscal situation, but it is not sustainable over time. Imbalance amongst the pillars for long periods will hollow the force and create unacceptable risk for our national defense. During these fiscally constrained times, we must remain ever vigilant in the allocation of resources to ensure the holistic readiness of the institution and ensure every dollar is going where it is needed most. Since 2012 our accounts are auditable. This gives confidence to the American people and commanders that we ask only for the amount of funding required to provide a lean, highly capable, mobile and ready force.

High Quality People

Our Marines and civilians are the foundation of all that we do. We succeed because of our focus on people. They are the primary means by which the Marine Corps meets its defense responsibilities. The resources we dedicate to recruiting, retaining, and developing high quality people directly contribute to the success of our institution. Our commitment to quality must never waver.

Our success in maintaining an elite force begins with recruiting young men and women who possess the character, mental aptitude, physical and psychological fitness, and desire required to earn the title “Marine.” The Marine Corps is committed to recruiting and retaining high-quality people who meet prescribed physical and mental standards, and are ready in mind, body and spirit to execute their duties in the defense of our Nation.

Today, the Marine Corps does not have the proper level of personnel stability or cohesion in our non-deployed units. The practice of moving Marines between units to meet manning goals for deployments creates personnel turbulence, inhibits cohesion, and is not visible in our current readiness assessment tools. This personnel turbulence affects our combat readiness and our ability to take care of Marines. Moving forward, we will improve cohesion by increasing our preparedness across the force and emphasizing consistency of leadership, personnel stability, and sustained readiness across the force. The overhaul of our manpower management and readiness reporting models, systems, policies, and processes will allow us to minimize personnel turbulence, increase unit stability, and develop cohesion. We ask Congress to support these measures through appropriations of the funds we have requested in PB16.

Our civilian workforce continues to be a significant force and readiness enabler to our institution. They reflect the same high quality standard that propels a ready force with many

having previously worn the uniform of our Nation – 68% are veterans. They also remain a lean portion of our organization at a ratio of only 1 appropriated funded civilian to every 10 active duty Marines. Our civilians are contributing where we need them most. With 95% working outside the National Capitol Region, our civilians are directly supporting Marines and the mission at our bases, stations, depots, and installations. Without these civilians, we would be forced to assign uniformed Marines to these tasks taking away leadership and capacity in operational units.

Our civilian workforce grew post-9/11, in large part due to military-to-civilian conversions, which allowed Marines to move from support billets to the operating force. A Department-wide focus on insourcing, new requirements (e.g. cyber), and necessary support for our military surge to 202,000 also played a role in the growth. In 2009, the Marine Corps proactively began reducing civilian structure and personnel, and we are continuing to reduce our workforce by another 10 percent, including 20 percent at headquarters.

A key element in our overall readiness is family readiness. The family members of our Marines are very much a part of the Marine Corps family. Their sacrifices and support are not taken for granted. As we return from 14 years of major combat operations, the Marine Corps is repositioning our capabilities to deliver core programs and services that best meet the needs of today's Marines and families. We are renewing our programs and services consistent with our reduced end strength, changing demographics, mission, and budget environment. We are emphasizing the importance of maintaining a high level of readiness. Our Marine and Family Programs exist to support unit mission readiness, and individual health and wellness goals. In order to maintain the high standard of family support, we will develop a plan with a bias toward decentralizing decision-making and resource allocation. These programs and their impact on our

Marines will continue to be an area we focus on to judge our readiness. We thank the Congress for your continued support of Marine and Family Readiness programs at the PB16 level.

Unit Readiness

Our operational tempo since September 11, 2001 has been high and remains high today. We expect this trend to continue. Your Marines serving today in the operating forces are either deployed, getting ready to deploy, or have recently returned from deployment. Congress directed the Marine Corps to be the Nation's force-in-readiness. The current fiscal environment challenges the Marine Corps' ability to meet this mandate. In these circumstances, the Marine Corps has assumed some risks to fund unit readiness in the near term. The Corps provides units ready to meet core and assigned missions in support of steady state and crisis/contingency requirements. Our ability to sustain assigned mission requirements with units ready to deploy must be carefully managed while we continue end-strength reductions.

Over half of home-station/non-deployed units report unacceptable levels of readiness; nevertheless, the Marine Corps excels at generating ready units to meet operational requirements. Deployed units report high levels of readiness for core and assigned missions. Alternately, the ability of non-deployed units to conduct full spectrum operations continues to degrade as home-station personnel and equipment are sourced to protect the readiness of deployed and next-to-deploy units. We must remain cognizant that our home-stationed units constitute the "bench" that would surge to conduct full spectrum operations required in major contingencies. As the Nation's first responders, the Marine Corps' home stationing units are expected to be in the same high state of readiness as its deployed units.

Our home station units' ability to train is challenged. Time is an essential component required to fix worn equipment and train units to standard. Lower end-strength and unit deployment to dwell (D2D) ratios, shortages in personnel and equipment at the unit level, and the paucity of amphibious and maritime prepositioning ships contribute to degraded full spectrum capability across the Service. For example, a D2D ratio of 1:2 means your Marines are deploying for 7 months and home for 14 months before deploying again. During that 14 month "dwell," units are affected by personnel changes and gaps, ship availability shortfalls, equipment reset requirements, degraded supply storages, training scheduling challenges and more. These challenges factor into every unit's mission to remain consistently ready.

Marine Aviation contains some of our most stressed units. The Marine Corps has 55 Active Component squadrons, three of which (2 VMM, and 1 VMFA) are in transition. Of the remaining 52 squadrons, 33% are deployed and 17% are in workups to deploy. Our minimum readiness goal to deploy is T-2.0. Deployed squadrons / detachments remain well trained and properly resourced, averaging T-2.17. Next-to-deploy units are often achieving the minimum goal of T-2.0 just prior to deployment. Non-deployed squadrons experience significant resource challenges which manifest in training and readiness degradation, averaging T-2.96.

The Marine Corps is applying resources to maintain the readiness of deployed and next-to-deploy units. Our focus is to continue to meet current requirements, while addressing the personnel, equipment, and training challenges across the remainder of the force. We are in the midst of a comprehensive review of our manning and readiness reporting systems. We will develop a detailed plan to enhance our overall readiness during 2015.

Capacity to Meet Combatant Commanders' Requirements

We are committed to meet the expeditionary requirements of our combatant commanders. The Marine Corps' PB16 military personnel budget funds a FY16 end-strength of 184,000 on the way to 182,000 in FY17. The Marine Corps of 182,000 includes the 1,000 additional MSG Marines directed by Congress to protect more of our embassies abroad, the Marine contribution to the special operations component, Marine Cyber forces, and SPMAGTF's assigned to support multiple COCOMs. Marines assigned to Marine Special Operations Command and Marine Forces Cyber Command continue to significantly contribute to the needs of the COCOMs through specialized capability sets and as enablers for the joint force.

In order to meet COCOM requirements, the Marine Corps will sustain a D2D ratio in the active component force of 1:2 vice a more sustainable D2D ratio of 1:3. That is the fundamental difference between an optimal force structure of 186,800 Marines and 182,000. The Marine Corps has some high demand/low density units that maintain a current D2D ratio of less than 1:2. The Marine Corps will continue to provide ready forces to meet COCOM demands, but we are carefully assessing the impact of reduced D2D ratios on our training and quality of life.

Facility Investments

The President's budget for FY16 funds 81% of the OSD facilities sustainment model requirement for the Marine Corps (an increase over the FY15 level). The OSD guideline is to fund 90% of the requirement. We remain aware that underfunding facilities sustainment increases the rate of degradation of Marine Corps infrastructure, which leads to more costly repairs, restoration and new construction in the future.

Our installations are critical to our ability to train forces and be ready. They provide our training ranges and care for Marines and their families. However, we are forced to take risk in sustaining current infrastructure in support of operational readiness. With the help of Congress, the Corps has made significant progress over the last 8 years in replacing old, unsatisfactory buildings. Our MILCON is now focused primarily on new platforms and PACOM force relocation efforts.

The most important mission of our installations is to enable operating force readiness. We do this by being responsible stewards of land, air and water resources, and by being good neighbors in our local communities. These conservation efforts maintain our valuable training ranges and much needed air and sea maneuver corridors. A consistent emphasis on community partnering and engagement creates good-will, enhances family quality of life and reduces encroachment risks to our bases and stations. Congressional support and community partnering have resulted in the addition of training areas at the Townsend Bombing Range in Georgia, the Chocolate Mountains Aerial Gunnery Range in both Arizona and California, and the Marine Corps Air Ground Combat Center in California. We are also making great strides in reducing energy consumption on our bases and stations. By lowering utility use we are reducing costs, protecting the environment, improving the resiliency of energy-dependent infrastructure and ultimately enabling operational readiness.

Equipment Modernization and Innovation

For the last 14 years, the Marine Corps has focused our resources on providing the Marines what they need for the current fight. Readiness remains our #1 priority to meet our national security responsibilities; however, our focus on the current fight coupled with our declining

budget, has forced the Marine Corps to make difficult choices and reduce investment in modernization to maintain current and near term readiness. In today's fiscal environment, the Marine Corps is investing only in essential modernization, focusing on those areas that underpin our core competencies.

Though emphasis is placed on new or replacement programs such as the ACV, JLTV, CH-53K and JSF, much of our modernization resources are focused on improving the capabilities and extending the life of current systems in order to fill the capabilities gaps that can be exploited by today's threats. These modernization efforts span from our AAV's to our current legacy aviation platforms.

In order to balance modernization across the capabilities of the MAGTF, our top priorities for recapitalization and upgrades are the ACV and the F-35B. Programs like ACV 1.1 with science and technology efforts for high-water speed, AAV survivability upgrades, Network On-The-Move (NOTM), Ground/Air Task Oriented Radar (G/ATOR), JLTV, and aviation platforms such as the MV-22, CH-53K, and F-35B are required to modernize capabilities and provide the technology required to dominate our adversaries.

Modernization consists of three elements: development of new technologies, the procurement of new capabilities, and investment in legacy systems. An over commitment in one element creates missed opportunities in another. The Marine Corps is investing heavily in legacy systems partially due to the time required to recapitalize needed capabilities. This necessary allocation with limited resources in turn results in less investment in areas needed for a rapidly changing world (i.e. live virtual training, digital interoperability, and connectivity across Service components). For example, the subcomponent shortfalls and age of the AAV fleet has led to lower reliability and increased risk in operational mission profiles. The need for recapitalization

of the 42 year old AAV is critical and the Nation cannot afford to gap this capability. The application of fiscal resources that would otherwise be focused on recapitalization and modernization is necessarily directed toward sustainment. Current maintenance for AAVs averages approximately \$575,000 per AAV, per year with future depot maintenance costs growing to \$700,000 per AAV in FY16. This required allocation of precious resources works against our other modernization and recapitalization efforts.

For our legacy aircraft platforms, the focus is on modernization to keep them relevant in today's fight while providing a bridge to our aviation recapitalization efforts. Rapid procurement of these new systems is critical to solving both our serious current and future readiness problems. Reduced modernization investment has also stretched our program timelines to the limit of their acquisition baseline. Any further extension of our program baselines could result in a Nunn-McCurdy breach and reduce industry interest in producing limited production items. We have also delayed the procurement of other major programs like CAC2S so that we now will not reach full operational capability until FY22 vice FY18.

Limited to essential modernization efforts, the Marine Corps forecasts critical issues due to underfunding in several areas including:

- Recapitalization of our 30 year old TRC-170 system needed to provide alternate communications networks in degraded spectrum contested environments.
- The Marine Corps' Composite Tracking Network resulting in the MAGTF's eventual inability to communicate with the Navy's network and participate in their Cooperative Engagement Capability
- Our ability to maintain Joint Interoperability with other Services through the Tactical Communications Modernization (TCM) program.

- Continued underfunding of the Networking On-The-Move (NOTM) program leaving two thirds of our operating forces without the ability to conduct mobile networking in distributed environments. Failure to procure military satellite communications (MILSATCOM) kits for, all fielded NOTM systems, will result in continued reliance on expensive (leased) commercial satellite communications (SATCOM) services.

Modernization and innovation are more than just procurement programs. We must invest in MAGTF experimentation and test new tactics, techniques, procedures, gear and concepts that will allow us to meet future challenges. Inadequate resources toward modernization will further close the technological gap between our capabilities and our adversaries. Our adversaries continue to develop new capabilities seeking any technology overmatch in specific domains and functions. Increasingly capable threats, the proliferation of A2/AD weapons, and the aging of key material capabilities create challenges where we will pursue Science and Technology (S&T) to maintain our decisive technological advantage. We are maintaining our commitment to S&T, and we continue to look for opportunities to expand our efforts in this critical area.

Special Interest Topics

Marine Corps Force Integration Program (MCFIP)

Since January 2013, the Marine Corps has opened 5,998 previously closed positions to women. We now have 94% of our Military Occupational Specialties (MOS's) available to women. Some positions remain closed - mostly within infantry, artillery, tanks, and assault amphibian vehicle specialties. These specialties are the focus of ongoing Marine Corps research to establish occupationally specific, operationally relevant, gender-neutral physical standards.

The Marine Corps continues its deliberate, measured and responsible approach toward integrating female Marines into previously closed occupational fields to the maximum extent possible. As the Marine Corps has studied gender integration, we have remained committed to high standards and combat effectiveness - from recruiting and entry-level training (ELT) to performance in the operating forces.

During this effort, the Marine Corps has evaluated gender integration from ELT to full mission profiles as a complete ground combat arms integrated unit. Since this time last year, the Marine Corps has established the Ground Combat Element Integrated Task Force (GCEITF). The GCEITF is a gender-integrated, ground combat arms unit designed specifically to support the most in-depth, detailed study of the physical demands associated with ground combat and the associated physical performance standards as well as the physiological predictors of success. The results from the GCEITF research will inform the establishment of occupationally specific, operationally relevant, gender-neutral standards based on the required individual physical contributions to mission-oriented collective tasks.

The GCEITF along with our other research and assessment efforts will inform a recommendation on further integration to the Secretary of the Navy and the Secretary of Defense. That recommendation will be provided in late 2015.

Sexual Assault Prevention and Response (SAPR)

The Marine Corps' Sexual Assault Prevention and Response mission is to develop and manage an evidence-based program that eliminates sexual assault within our ranks and provides world-class care to victims. Since FY12, the Marine Corps has expended more than \$16 million toward SAPR and special victim legal training initiatives.

The Marine Corps continues to see an overall positive trend in closing the gap between the actual number of sexual assaults and those that are reported. While the prevalence of Marines experiencing Unwanted Sexual Contact (USC) dropped from approximately 3,300 in FY12 to approximately 2,300 in FY14, the Marine Corps has seen an 89% increase in reports during that same time period. Closing the reporting gap is essential to both tackling the problem and providing supportive services to victims.

The addendum to the SAPR Campaign Plan launched in 2012 was approved in April 2014 to build upon the positive momentum of the campaign thus far by extending the sustainment phase and incorporating additional tasks that strengthen SAPR capabilities. In July 2014, the Marine Corps released new training called “Step Up” that is designed specifically for junior Marines, our highest at-risk population for sexual assault.

The Marine Corps continues to improve victim services such as the credentialing and up staffing of SAPR victim advocates and the development of the Victims’ Legal Counsel Organization, which has provided dedicated victim legal services to more than 680 clients including 388 victims of sexual assault. On the heels of positive indicators of SAPR progress, Headquarters Marine Corps’ SAPR division is expanding its reach with an increased focus on prevention. Our goal is to eliminate sexual assault from our ranks. We believe that preserving the commanders’ ability to lead in this area is a vital element of our continued improvement in this current issue.

Suicide Prevention

Each tragic loss to suicide has far-reaching impact on families, friends and our entire Marine Corps community. The Marine Corps embraces prevention efforts through a series of actions to

foster hope and connection to those at risk for suicide. Community Counseling Services located on Marine installations worldwide increase access to care and assist Marines, attached Sailors and their families with navigating available support resources. The Marine Corps' Marine Intercept Program (MIP) uses licensed clinical providers in care coordination and outreach services for Marines who are identified as having suicidal ideations or have attempted suicide. The DSTRESS resource also provides phone, chat and Skype support 24 hours a day, 7 days a week, 365 days a year. The Marine Corps continues to support DSTRESS as a critical resource in suicide prevention.

Suicide prevention remains a priority for the Marine Corps, and we will continue to apply the resources necessary to combat this difficult issue.

Wounded Warriors

The Marine Corps' commitment to our wounded Marines and their families is unwavering. Since 2007, the Wounded Warrior Regiment has provided meaningful recovery and transition assistance to wounded, ill and injured (WII) Marines, Sailors in direct support of Marine units, and their families. Additionally, the WWR administers the Marine Corps' federally mandated Recovery Coordination Program, which seeks to integrate Marines' medical and non-medical care.

While the Marine Corps' reduced presence in Afghanistan will result in fewer combat casualties, non-combat injuries and illnesses will likely remain stable. In addition, instances of PTS and TBI will continue to increase due to delayed onset and as Marines often delay seeking help.

Our comprehensive capabilities create the optimal care to meet individual Marine's needs. These capabilities include: Recovery Care Coordinators, District Injured Support Coordinators, WWR Transition Specialists, WWR Liaison Officers and Wounded Warrior Hope and Care Centers. Our costs in personnel are more than just numbers. Ultimately, the cost of 14 years of war is calculated in lives. From March 2003 through 7 January 2015, 1,483 Marines have given their lives and 13,992 have been wounded in the service of our Nation. We remember their service and sacrifice and thank Congress for their continued support of our Wounded Warriors and their families. The Marine Corps will not forget the sacrifices our Marines and Sailors have made for the Nation.

Transition Readiness

The Marine Corps makes Marines, wins battles, and returns responsible citizens following active service. Every year, the Marine Corps returns approximately 35,000 Marines to the civilian sector. The transition from uniformed service to contributing members of America's prosperity as civilians is significant to the economic health of the Nation. The technical expertise that Marines have learned during their service has significant application value to the country in the civilian sector.

Our transition readiness program is designed to prepare Marines for transition to civilian life by preparing and connecting them with resources to successfully meet educational, employment or entrepreneurship goals. Implementation of transition readiness seminars (TRS) and separate "track options" classes that align Marines future personal and professional goals with hands-on application have created an enhanced transition experience for Marines. In FY14 and the first quarter of FY15, TRS attendance exceeded 42,500.

In FY15, Marine Corps Credentialing Opportunities On-Line (COOL) was launched. COOL is a credentialing awareness, information and resources capability for all Marines, translating their Military Occupational Specialties into career development credentialing opportunities during and beyond their service. A leading example of the 21st Sailor and Marine initiative, the establishment of Marine Corps COOL with the Navy also established the Department of the Navy (DON) COOL as a platform for the Navy/Marine Corps Team. DON COOL has, in turn, inspired an Office of the Secretary of Defense (OSD) initiative for a similar department-wide landing page for all the Services.

The Marine Corps also launched the Spouse Transition and Readiness Seminar (STARS) at all USMC installations in September 2014. This seminar addresses the transitional challenges and opportunities specifically for spouses as they prepare to transition with their Marines into the civilian world. STARS has been embraced by OSD as a model for other services to consider emulating.

We have fully funded transition assistance in PB16. Effective 1 October 2014, a new Personal Readiness Seminar (PRS) is being delivered to all incoming active duty Marines upon check-in at their first permanent duty station. PRS provides an overview of the Marine For Life cycle, including personal and professional development programs and services, and introductory personal finance topics.

Conclusion

The unpredictability of the future security environment facing our Nation today reaffirms the wisdom of the 82nd Congress -- the United States must maintain a force-in-readiness. The Marine Corps remains that expeditionary force-in-readiness. We maintain a high state of

readiness and remain postured for immediate crisis response across the globe. With the continued support of Congress, we will maintain balance across our pillars of readiness and deliver ready, relevant, and capable Marines and Marine Air Ground Task Forces to our Nation today – and tomorrow. During this period of budget austerity, we will set the standard for stewardship – every dollar will count. In the end, we will do what Marines have always done – innovate for the future, adapt to overcome, and always win.

SHIPBUILDING

Mr. FRELINGHUYSEN. And thank you gentlemen on behalf of the committee. The Budget Control Act is the law of the land, we are going to mark to that bill, so we need to talk about new strategies. We also need to know if, Mr. Secretary, your focuses on people, platforms, powers and partnership, your key factors, fixed factors, your personnel costs, where will you be making reductions in order to meet the objective of the \$13 billion that would be reduced.

Mr. MABUS. Mr. Chairman, first I want to agree vehemently with what the CNO and the Commandant said, the President's budget is the minimum that is required to meet the national defense strategy. And we have seen when sequester hit in 2013 what the impacts are. And we have seen how long-lasting those impacts are.

I have said that I am going to do everything I can to protect shipbuilding, regardless of the budget situation. I am doing that because it is not reversible. If you miss a ship, if you don't build a ship in a year, you never make that ship up. And we are living with the decisions that were made 10, 15 years ago in terms of numbers of naval ships and it takes a long time to reverse that.

But if you do protect shipbuilding and the industrial base and the ability to build the Navy ships, things like the maintenance requirements, our public shipyards, when sequestration hit in 2013, we had a hiring freeze, we had a furlough, we had a government shutdown. And we don't have enough people in those public shipyards. Now we are hiring, but you lose skill sets. And so as the CNO pointed out, the maintenance requirements for our ships, it will take us until 2018 or 2019 to catch up, same thing with our aircraft. The backlog in our depots for modernization and for maintenance on our aircraft will require us almost the end of this decade to make up. So what is certain is that if sequestration level funding is where we end up, is that something is going to break.

SEQUESTRATION IMPACTS

Mr. FRELINGHUYSEN. So if the shipbuilding thing is irreversible, and I do read your statements before you come, and you made a point of that, if that is the critical mass, and God only knows that is what the Navy is identified for, it is the most formidable part of our defense posture, what else is going to give? We—in other words, I like having the mission impacts, I understand that. But I think we need to know what specific platforms, what is going to give if we are going to maintain the shipbuilding, and having just visited Norfolk, I have seen it firsthand that incredible workforce, but something has got to give if we get under the \$13 billion figure.

Mr. MABUS. Well, the things that you have heard from me just in the maintenance requirements which affects readiness, from the CNO reduced sailing, the reduced surge capacity that we have, the reduced training opportunities that we have. What you have heard from the Commandant, the reduced readiness of the next to deploy, the reduced equipment for units and home station, reduced the ability to put sailors and marines forward. But I also will have to say that the budget that we put in, we have a responsibility to put the budget in that will meet the defense plan.

Mr. FRELINGHUYSEN. We have, of course, a responsibility to meet the law as does the administration.

Mr. MABUS. Well, the President said repeatedly that he would veto a budget that locked in sequestration level funding. And so we are putting forward the minimum budget that we feel will meet the defense strategy. If it goes below that, we will break that strategy and we will—

Mr. FRELINGHUYSEN. We are going to work with you to do whatever we have to do and I think a closer working relationship is better than one from a standoff.

Let me, before I turn to Mr. Visclosky, to Admiral Greenert and General Dunford, is there anything you can do in the fiscal year 2015 budget to minimize the impact of the negative consequences of the sequestration, are there any things you can do now? I mean, this is all about setting priorities here, I know everybody wants to do everything and you do an incredible job and do it well. Sometimes we don't always know all the things that you do. Marines are deployed in areas now where they have not always been, of course, you always have somebody at the embassy, so you have larger missions. I am wondering, taking a step back, are there things we could examine now in this fiscal year that might minimize the impact in outyears?

Admiral GREENERT. I will take a stab there. This is difficult because as what happened in 2013, you are talking about what we call the POM drop. If it was sort of measured approach to 16, it would be different. So here is what I mean, if you need money now, you have to go where the money is now. So that would be operations and maintenance, well that is only a 1-year appropriation, so that is out. Modernization, that is out. I am trying to get out of a readiness trough so to try to do that in 2015 while trying to support operations in 2015 is not—I can not do that. So my point would be if you are marking a 2016 budget to a different level, you are going after modernization, likely procurement, that is where the money is in the fiscal year that you need it. Doing something now while operating is not really—there is not much there, chairman.

Mr. FRELINGHUYSEN. General.

General DUNFORD. Chairman, if you take a look at our budget between people and operations and maintenance as the CNO was talking about, that is 88 percent of my budget. So the only way that you could realize savings in a given year is divest yourself of people which we have not done. We have been trying to keep faith with people as we have done the deliberate drawdown or stop training operations and making money, which further degrades the readiness challenge that we have. So I think my short answer to your question is there really is not anything we can do in 2015 to set the conditions for what we actually donate, we do not know what 2016 is actually going to look like.

Mr. FRELINGHUYSEN. Well, before returning to Mr. Visclosky, we would like actually a list of what you would have to do under sequestration scenario. We endorse doing things on the George Washington. There are issues relative to end strength, we would like a better picture of what you would do, what your priorities would be if we had to go into that scenario, which is what we will be mark-

ing our bill to. I think we need a more comprehensive list, specifics, decommissioning ships, reduce procurement. I think we need some specific answers. Mr. Visclosky.

NAVAL POSTGRADUATE SCHOOL AND USS HALSEY

Mr. VISCLOSKY. Thank you, Mr. Chairman. First of all, General Dunford, I do want to thank you and congratulate the Corps, because they now do have auditable books and I do not say that lightly. I think it is very important and realize that there are other milestones ahead for the Corps. I hope that you will continue to be very diligent and hope other services can take a page out of the Marine Corps book. I do think it is important.

I have two questions, if you could, for the record, because they are very important to me, but we have a lot of members and in the interest of time. There was an OPNAV study last fall that validated requirements for between 1,200 and 1,300 FTEs at the naval postgraduate school, but the Navy comptroller has a cap of 884 as far as FTEs at that school. For the record, if you could provide the justification for not accepting the study's recommendation. And also, have an interest in the continued improvement of conditions on the USS *Halsey*. My understanding is there were two suicides early last year in midsummer. I have had a meeting most recently in July of last year with Admiral Howard and have a series of questions for an update as to whether or not there is any additional suicide-related behavior on board, if there is any additional resources that have been vested or needed.

[The information follows:]

The primary mission of the Naval Post Graduate School is to increase the warfighting effectiveness of Naval Officers. Over time NPS expanded this primary mission by engaging in education and research activities for a variety of other customers including counterparts from other Services, international partners, OSD, and other executive agencies. The OPNAV study examined staffing requirements for the NPS workload, inclusive of all these other non-core mission activities. The result was a recommended staffing requirement in excess of data residing in the official Department of Navy manning data base which is used to determine Full Time Equivalent (FTE) controls by activity or command. NPS took on this additional workload, much of which is non-Navy, without developing or maturing commensurately complex business practices and without appropriately requesting official changes to the data base, which would have been subject to review for compliance with the NPS core mission and resource requirements, including FTE. At this time, any increase to the manning data base requires a corresponding decrease to other functional areas and/or commands within the Department. In the current budget environment, it has become more critical than ever before that Department of Navy ensure an appropriate balance between resource requirements for the NPS primary mission and all other staffing requirements. A formal Department of Navy review of NPS functions and their associated resource requirements, including sources and uses of funds, is ongoing. Once this comprehensive review is complete, a final decision on NPS FTE staffing requirements and allocations will be made.

No, there have been no more suicides in USS HALSEY. In fact USS HALSEY recently (on 5 February 2015) safely returned from a highly successful seven month deployment to the Western Pacific. Programs that were implemented, and are ongoing, include several visits by mental health experts over a period ranging from a few days to two weeks within the first two months of deployment (and the second suicide) to regular visits by Chaplains over the course of deployment; a follow-up survey by the Naval Unit Behavioral Needs Assessment Survey at the 6-month mark; and a three-week capstone of classes offered onboard by Commander, Destroyer Squadron 31 (CDS-31) Chaplain and Military Family Support Center Psychologist to assess USS HALSEY Sailors and help with transition back to home life from deployment. Additionally, two Flag Officers visited USS Halsey to speak with the crew and provide mentoring to the ship's leadership.

The USS HALSEY Sailors have continued to seek and receive treatment for individual and group mental health needs. Identification, caring, and intervention is emphasized at every level of a Sailor's chain of command.

NUCLEAR ENTERPRISE REVIEW

Mr. VISCLOSKY. The one question we can have a brief discussion here, and again, I would then defer, Mr. Chairman, is on our nuclear deterrence. The Nuclear Enterprise Review has suggested that the composition of the stockpile be changed to essentially five unique systems from the existing 12 systems today. Obviously, the Navy has a very large interest in the issue. The estimated cost as far as the transition for the National Nuclear Security Administration is somewhere between \$50 billion to \$60 billion over the coming years. The fiscal year 2016 budget for the Navy is about \$2.2 billion included this year for nuclear enterprises.

The two questions I have, either Secretary, Admiral, is if we have some discussion here about the BCA levels do not change, what happens relative to funding nuclear enterprise? Secondly, much more broadly, is there any ongoing discussion about the triad itself in whether or not that composition from 3 to some other number may be changed?

Admiral GREENERT. In answer to your first question the sea-based strategic deterrent is my number 1 program, Mr. Visclosky. So I would fully fund that to its requirements. That defense of the homeland, that is top priority. That is what I would submit to Secretary Mabus in my recommendations. Put it another way, I would propose no reductions to the nuclear enterprise that you see in the President's budget 2016 submission.

Number 2, there are discussions going on within the Department as to the future of the nuclear deterrent enterprise. I would say, if you will, everything is on the table. We are trying to improve it to make sure that the modernization of it, this would be the third big modernization since you got the inception, then you have a new bomber, a new SSBN, that is the *Ohio*. We are into a new phase where we have to look and see what do we want to with the Minute Man, the ICBMs, what about the new bomber and you are familiar with the *Ohio* replacement. Those discussions are ongoing, sir.

Mr. VISCLOSKY. Thank you very much. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Vice chair, Ms. Granger.

SPECIAL PURPOSE MARINE AIR-GROUND TASK FORCE

Ms. GRANGER. Thank you very much. Thank you all for your service. General Dunford, crisis response is an important mission, the Marine Corps has devoted significant resources to, and that includes the establishment of a crisis response force and a marine security guard augmentation unit. Would you give me some examples of how funding readiness has enabled crisis response?

General DUNFORD. I would, Congresswoman. Frankly, I can give you an example that is really attributable to this committee. Two years ago we identified the requirement for additional crisis response capability, both in AFRICOM and in CENTCOM. So we es-

tablished special purpose marine air ground task forces in both of those combatant commanders area of responsibilities.

The special purpose MAGTF crisis response AFRICOM that this committee funded, was the first force that responded to Ebola. It was the force that conducted the evacuation operation in south Sudan, it was the force that conducted the evacuation operation in Libya. The force that you created in the United States central command, one day 10 days ago simultaneously was evacuating the embassy in Sana'a, was protecting the embassy in Baghdad, was flying strikes from Bahrain into Syria and Iraq. Was conducting V-22 type of recovery and aircraft personnel 600 nautical miles to support those strikes. With training Iraqi army forces in al Assad, it was also training Jordanians. That is a 2,500-man force that was conducted 18 months ago.

So when you talk about marines being forward postured and forward engaged, that is what you get when you talk about crisis response. I would add that those forces that were training the Iraqis were not forces generated specifically to train the Iraqis. General Austin was able to begin almost immediately after the President's decision to train Iraqis because he already had those forces available to him in theater.

SEQUESTRATION IMPACT ON CRISIS RESPONSE

Ms. GRANGER. I will just follow up on that. So if the crisis response is at the sequestration levels, then something else has to go, can you give us an example of what would be cut to keep that?

General DUNFORD. Congresswoman, we are meeting those crisis responses. It is important I think for the committee to understand, we are meeting those crisis response requirements today at about a 1-to-2 deployment as well. What that means is our marines are deployed for 7 months and home for at or less than 14 months. At the BCA level, the only thing we can do as I was alluding to earlier, the only thing the Marine Corps can do is reduce capacity, because over 60 percent of our budget is people. And if you add that with operations and maintenance money, you are at 88 percent. So the only thing you can do is reduce capacity. So I would tell you that crisis response would be affected. And what really happens is it exacerbates readiness challenges of units at home station. Why do I raise that? Because the units that would be most likely to respond in the event of a major contingency are actually the units that are back at home station not the units that are out there conducting crisis response.

What would happen if we go to BCA levels is those forces will have a choice, we will either delay a response in a major conflict or we will send young Americans that do not have the equipment, the training and the leadership necessary to accomplish the mission. I really do think it is a function of time and or American lives is what we are talking about. Our experience in 1950 in the Korean war was instructive in that regard.

Ms. GRANGER. Thank you so much.

Mr. FRELINGHUYSEN. Mr. Israel.

SEA-BASED BALLISTIC MISSILE DEFENSE

Mr. ISRAEL. Thank you, Mr. Chairman. I appreciate the homage to the congressional district.

Admiral Greenert, I want to ask you a question about a ballistic missile defense capability. Our adversaries continue to develop at a very rapid pace ballistic missile capabilities, and we need to stay many steps ahead. I was wondering if you could address the demands on the fleet in maintaining a proactive ballistic missile defense. I am also concerned about the current plan to place Aegis cruisers in reduced operating status and would like you to address that issue.

Admiral GREENERT. Today we have on the order of, I think it is 15 ballistic missile defense capable ships. I will send you a paper on that so I get it straight. We need, by the end of the FYDP, and that kind of tends to be our goal, 40 available around the world, this is ballistic missile defense capable. They have the sensors, they have the weapon. So it is a pretty high demand. To get there, Congressman, you have to modernize the cruisers and the destroyers. They have to have the cooling, the power for this really high powered radar. It takes a lot of power, it takes a lot of cooling, and you have to have the right weapon. So that tends to be, that is what we are rushing to get done.

[The information follows:]

We currently have a total of 33 BMD-capable ships in our Fleet. This force is comprised of 28 destroyers (DDGs) and 5 cruisers (CGs). Twenty-three of the ships have the initial or basic level of capability, seven have been upgraded to an intermediate level of capability, and three are equipped with advanced capability, which allows these ships to conduct true Integrated Air and Missile Defense, simultaneously conducting BMD and air defense. Working closely together, MDA and Navy are steadily increasing the number of BMD-capable ships by both modernizing existing destroyers and delivering new construction ships built with inherent BMD capability.

This BMD Fleet is currently meeting about two-thirds of the demand that is being levied on the Navy by the Combatant Commanders. In order to do that, our BMD ships are making longer, more frequent deployments than we would prefer. In addition to increasing both the capacity and capability inherent in the ships of our BMD Fleet, I am working to ensure that the demand signal levied by the Combatant Commanders is correctly validated, serviced efficiently, and is sustainable for the long term.

What has been very helpful, because today we are doing most of missile defense from the sea ashore, if we can put a site ashore to get that done, that helps dramatically, much bigger aperture, more resolution. And so today we are standing one up in Romania as I speak, it will be in service at the end of December, and in 2 years one in Poland. That will dramatically help the European situation. So we are on track. My concern is to what end? I am speaking President budget 2016 levels. You go to the Budget Control Act levels, as I said before, most of what we do will come out of modernization. Well, that is a key part of modernization.

LONG ISLAND CONTAMINATION

Mr. ISRAEL. Thank you, Admiral. And finally, Mr. Secretary, this is a very parochial concern I am going to ask if you could send some folks up to see me regarding a contaminated plume on Long Island; the Navy and the Grumman Corporation worked on the Hellfire in the 1940s, that site has been contaminated. The con-

tamination is growing. I would appreciate it if you would send somebody up to see me so that we can address those issues.

Mr. MABUS. I would be happy to, Congressman. We have been working very closely with Congress and also with the State of New York to address that, but I will be happy to send some people up with not only information but with our plan of action.

Mr. ISRAEL. Thank you, Mr. Secretary, and thank you again, Ms. McCollum.

Mr. FRELINGHUYSEN. Thank you, Mr. Israel. Mr. Crenshaw.

GUIDED MISSILE CRUISER MODERNIZATION

Mr. CRENSHAW. Thank you, Mr. Chairman. Let me first welcome all of you back. The Navy has a pretty strong presence in my district in northeast Florida, so I have worked with you all and developed what I would consider a very trusting relationship, friendship and I thank you for that. Admiral Greenert, I know you will be leaving, but not everybody knows that the Secretary of the Navy is on his way to becoming the fifth longest serving Secretary of the Navy. I do not know where you rank in your service as CNO, but in terms of length of service, but certainly you have been one of the best, so thank you all for being here today.

Mr. FRELINGHUYSEN. Looks like the Secretary wants equal time. Okay, excuse me.

Mr. CRENSHAW. He will probably be back, right?

Mr. MABUS. I think he has got the quality, quality edge, I may have quantity.

Mr. FRELINGHUYSEN. That time does not come out of your time.

Mr. CRENSHAW. Thank you very much.

One of the things I know that you all have been working on is a plan to modernize some of the guided missile cruisers. There was a time when the Navy wanted it to lay up, whatever that means, they were going to lay up 11 cruisers which this committee and this chairman thought was probably short-sighted. So now there is a plan I guess when you think of the tumultuous times we live in and we talked a lot about ships today. When you lay up a ship and do not have a crew, and you don't have any modernization money, more than likely it is going to be decommissioned, and I think this subcommittee thought that is probably a bad idea when we talk about the number of ships that we need. And so, under the leadership of the chairman, we developed this plan called 2, 4, 6, these 11 cruisers are going to be modernized. I had a couple of questions about that, because I think the plan is that no more than two ships will enter the modernization schedule each year. None of the ships will stay there more than 4 years and there will not be any more than six ships there at any one time.

The question becomes, and maybe for you, Secretary Mabus, how have you all decided to benchmark the 4 years that they were going to be in this modernization? Is there some—like, when does that begin and when does it end so that we can comply with that 4-year of 2, 4, 6.

Mr. MABUS. Congressman, first, I want to thank the committee for setting up the so-called SMOSF funds to modernize these cruisers. We agree wholeheartedly, we need to keep these cruisers, and we need to keep them for as long as we possibly can; we need to

extend their lives and modernize them as long as we possibly can. In answer to your specific question, the 4 years would not include the time getting ready to go into modernization or the time after they come out of modernization that you do the shakedown, the testing and this sort of thing. So it would be 4 years in modernization.

Having said all of that, the reason that—and I fully, fully understand the concern of the committee and Congress, words like “lay up” were used, words like “decommission” were used. The plan that we put in in 2015 to put 11 cruisers into modernization at once, we were going to continue to have those ships on commission. They were not going to be laid up, they were not going to be completely out of service. They were going to remain under the control of the CNO. If contingency arose that we had to have extra cruisers, we could have manned those, or up-manned them, because they would be minimally manned and gotten them out to sea.

By doing that, by putting all 11 in, we need 11 at a time in the fleet, by putting the 11 in, we would extend the life of those cruisers, from the mid- to late 2020s when they are scheduled to retire now to the mid- to late 2040s. The 2, 4, 6 plan which we are absolutely complying with now would not—it would extend the lives, but about 10 years shorter than the original plan.

And what we do not have is the money that would be gained from the manpower that we could put into the modernization effort and we would run out of the SMOSF funds far earlier. And that is the reason that we still believe that putting the 11 cruisers into modernization at times. Whatever assurances or whatever actions we can take to assure the committee, to assure the Congress that these 11 cruisers are going to stay in the fleet, we need all 22 of the cruisers, and we need these 11 to be modernized to replace the cruisers that will reach the end of their lives. Whatever actions we can do to do that, because we do think that the original plan will do that and we will keep these cruisers in service and more modern longer than any other plan that we have been able to come up with.

Mr. CRENSHAW. Just one quick follow up to Admiral Greenert, one of the things we just talked about you have got the SMOSFs so to speak, and then you have to fund the manning outside of that. I know that is in 2016, is that still the plan to do that in the outyears?

Admiral GREENERT. It is, if that is the intent and that is what you tell us to do, that is what we will do. We got the bill, the 2015 bill in December, we had about a week to put this together. We said, look, we have got to man the 2016 in our submission to comply, so we did. We did not get it all put together, so we have to get after that.

The SMOSF fund when it first come out was Ship Modernization Operation Sustainment Fund. That was good and we appreciate it, especially the operations and sustainment when they are not physically in modernization. Well, that has become the SMF fund, ship modernization fund, no money for operations and sustainment. That hurts, that is a burden we are bearing that was not originally intended. That is the intent of the Congress, so be it, we will com-

ply. But we sure would prefer the other, it would be very helpful if we can extend that back to SMOSF, Congressman.

Mr. CRENSHAW. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Ms. McCollum.

ARCTIC ROADMAP

Ms. MCCOLLUM. Thank you, Mr. Chairman.

Well, it has been pointed out that the Budget Control Act is the law of the land. Congress, without my help, passed that law, and Congress, with my help, can change that. We can remove sequestration from this conversation. The President put forward in his budget a way to move forward without sequestration, and I appreciate that. We are awaiting the Budget Committee to give us our numbers, our allocations. And so I wake up optimistic and hopeful every day that the Budget Committee will do the right thing and help us bring sequestration to an end.

People are chuckling on the other side of the aisle, but like I said, I wake up hopeful even though it is zero in Minnesota and 19 in Alaska.

Which leads me to my question. The U.S. Navy Arctic Roadmap, which I found really interesting, so, Secretary and Admiral Greenert, I would like to get your thoughts on the Arctic. The effects of climate change are particularly evident in the Arctic. The polar region is warming twice as fast as the average rise on the rest of the planet, which means more open Arctic waters.

Now, I know the Navy is thinking about the Arctic, and I want to commend you for the work for the report that I just held up, the Navy's Task Force on Climate Change, for its Arctic Roadmap report last year. We have clear national interest in the Arctic, along with our Canadian and Nordic allies. In fact, there is a Nordic Council, which the U.S. is chairing right now, which is part of the State Department. But your focus in this area is really important. It is a resource-rich environment. We should expect the Russians and the Chinese to be very active in this region.

So, Admiral, as you look to the future, what are the challenges, opportunities, resources, and investments this committee needs to be thinking about as the Navy operates in this very harsh and changing climate?

And then to General Dunford, similar climate change is affecting sea levels, which impacts equatorial coast lines. So how is the Marine Corps thinking about climate change and its impact on your mission, as well as where you will have to have marines based?

Thank you, gentlemen.

Admiral GREENERT. Thank you, Congresswoman. First question, when will it be navigable? When are the navigable sea lines of communication open, number one. We think it is about 2023, 2024. And by the way, just because the ice is kind of slushy, unless you have a hardened hull, you still don't want to go through that. So it has to be clear. We think it is about 2024.

When it is navigable? And that means open. Is there a threat? Are there disputes on the routes that are navigable? And by the way, that is not just open ocean. That is also you have got to look at the draft. It is fairly shallow up there. And big container ships

have deep drafts, 60, 70, 80 feet. You talk to big companies—and I have—they say, I don't know if this is a really a big deal to me.

And are there disputes? There are some, territorial. And as you mentioned, ma'am, how do we resolve them? Well, the Arctic Council is certainly a good way to look at that.

What kind of changes? Programmatic. Well, we already put in place, it is in there, in that roadmap there, that when we build in new systems, communications, hull, mechanical, electrical, you have to answer the question, how will it operate in an Arctic environment? And that includes all that stuff topside, all the superstructure and the infrastructure.

We need to go up and look at it more often. We have an exercise we used to do every 3 years called ICEX. Makes sense. And we did it mostly under the sea. It was a submarine thing. It had been going on for three decades. We are pretty good at it. We can go up and establish an ice camp and get that done.

I say we have got to do it every 2 years, and we are for the first time. And I will talk to the secretary about maybe we ought to do this annually. We are going to look at the acceleration. And it is not just about the undersea. We need to do the surface and the air, invite industry up there, and assess this place up in an Arctic ice camp and take it from there.

So it will be communications. It will be the systems onboard the ships. It will be the satellite imagery so we can communicate up there, as well.

General DUNFORD. Congresswoman, I know you are describing the broader issues associated with climate change. From a Marine Corps perspective, we view that as certainly one of the sources of conflict, and also it creates an increased requirement for humanitarian disaster relief operations. And I think the kinds of things that we have done in the Pacific over the last several years are probably prologue for what might have to be done in the wake of the climate change you describe.

So for us it is a question, once again, of being forward deployed, forward engaged, and be in a position to respond to the kinds of natural disasters that I think we see as a second- or third-order effect of climate change.

Ms. MCCOLLUM. But planning for that now, not forestalling, not doing anything about it now, because on a priority list we were talking about the military-industrial base, but putting this off, pushing this down the road has the potential of making us more vulnerable in the future? Would you agree or not agree?

Admiral GREENERT. I do agree. That is why I say we have got to get this ICEX exercise to a biannual or annual. And as I said, our programs today have to prove that they can operate in an Arctic environment.

Ms. MCCOLLUM. Thank you, Mr. Chair.

Mr. FRELINGHUYSEN. Members are invited to be part of the ICEX program if you haven't done it. It is worthy of doing it.

Mr. Calvert.

Mr. CALVERT. Thank you, Mr. Chairman.

CIVILIAN WORKFORCE

Good morning, Secretary Mabus, Admiral Greenert, General Dunford. First of all, thank you for coming here today. Certainly, thank you for your service. All of us here understand the difficult challenges, and we look forward to working with you to support the men and women of the United States Navy and the Marine Corps.

Obviously, difficult decisions must be made, but looking through the DOD budget over the years, I noticed that in 2003 the number of defense civilians was approximately 636,000 relative to 1,434,377 Active Duty military. That ratio is about 1.225. Today, there are 776,841 defense civilians relative to 1,332,991 uniformed services. That ratio, obviously, the civilian employees versus military employees, obviously, is out of whack significantly.

In 2010, the Defense Business Board recommended a reduction of defense civilians to the fiscal year 2003 levels, or 15 percent, whichever is greater. According to experts, that would save approximately \$82.5 billion over 5 years to do that. And, obviously, the authorizers are working on procurement reform and other types of reform to help streamline the Department of Defense to have savings that could be kept within DOD for more end strength for Marines, procurement for the Navy, et cetera.

What is your position on that, to get those savings in the civilian workforce. Secretary?

Mr. MABUS. Congressman, first, I think you need to break that out into where those civilians are. I think the services have done a pretty good job of making the trade that you have to make in terms of uniform versus civilians. DOD is a much larger place, though, than just the services, so as you are looking at civilian employment, look wider than just the services.

Second, in terms of the Navy in particular, those civilians include people in our public shipyards that maintain our nuclear submarines. They include the people that maintain and modernize our aircraft. And one of the reasons that we are in such a readiness trough now in both the Navy and the Marine Corps, in aviation and in ship maintenance, is that we lost some of those civilians during sequester, furlough, hiring freeze, and we are just now catching up.

And finally, I do want to say a word about Navy civilians. We lost 12 of them, killed in action in Washington Navy Yard, and we would not have a fleet to put to sea without those civilians.

So I think that the Defense Business Board has a good point, but I think you need to also look at the specific jobs that those civilians are doing instead of simply a broad metric of what percentage to cut.

Mr. CALVERT. Mr. Secretary, several comptrollers who have come to see, from both parties, and believe that the Secretary, the Secretary of Defense, should have discretion to make determinations on how we can over time bring the civilian workforce into compliance to what has been historically the ratios within the Department of Defense. We are operating under the same pool of money that we have to make determinations of where it is going to go.

And I am not arguing that depots are important or fixing aircraft, the civilian employees that have a critical role in what we

are trying to do, but it is not anecdotal to say that there has been a growth in middle management in the Department of Defense, there has been a growth in other activities in the Department in the civilian workforce. And if we have to make decisions, is it better to look at the civilian workforce versus cutting Marines' end strength, which we have cut probably more than we should, or ordering new ships and operations and maintenance of those ships?

Mr. MABUS. Again, I think that the important distinction to make here is between the services and the Department of Defense.

Mr. CALVERT. And that is the Secretary's job. The Secretary of Defense needs to look at everything across the board, throughout the Department of Defense, to make those difficult decisions.

Mr. MABUS. Absolutely, Congressman. I think it is all of our jobs to make sure that we are not out of whack. But I also think that we need to not just look at cutting a Navy ship to build a Navy ship or cutting a civilian for a specific reason.

Mr. CALVERT. No, I am just talking about bringing into historic compliance. We had 636,000 civilian employees in 2003. Today, we have 776,000. And we have dropped the military component by well over 100,000 in that same time period.

Mr. MABUS. Congressman, I think you and I are very much in agreement here. It is just where you look. And instead of saying everybody cut 15 percent, look and see what the civilians are doing.

Mr. CALVERT. I am not saying that. I am not talking about across-the-board cuts. I am talking about the Secretary, like any business manager, making determinations throughout the Department where they need to be made.

Mr. MABUS. And, Congressman, I agree with you, again, wholeheartedly, and I hope that when those looks are made that they will be looked at more in tail or overheard, business terms, than in tooth, Navy, Marine Corps, forward presence.

Mr. CALVERT. Admiral, would you have any pointers?

Admiral GREENERT. I agree with what the Secretary said. You know, Congressman, you could really help us by giving us—it would be the Secretary of Defense and all of us—by giving us the authorities to manage our civilian workforce like we manage our military. And what I mean is to provide appropriate incentives to do shaping of the force, to man the civilian workforce like we man military, to function, to task, so that, as you said, we have a core that is important, as the Secretary said and you agree.

That is where the real rub becomes, sir, whenever we try to manage. Then we go in and say, okay, how do we do this? And we find that the ability to make changes is so onerous it becomes across the board and then we throw the baby out with the bathwater, as they say.

Mr. CALVERT. And I have been told anecdotally, when you put a uniformed person in there to do that job or you have to bring a contractor in to do that job because you do not have the flexibility to manage the civilian workforce. Is that correct?

Admiral GREENERT. That is correct. We don't have the flexibility to properly manage the civilian workforce, in my opinion, yes, sir.

Mr. CALVERT. General.

General DUNFORD. Congressman, maybe to help put what Secretary Mabus was speaking about in some perspective, in the Ma-

rine Corps our ratio of civilians to Marines is 1 to 10; in the Department as a whole, it is 1 to 2. We have in fact—

Mr. CALVERT. You have done a great job.

General DUNFORD. Well, we do benefit from some of the other civilians that are out there. But, again, looking at it from a purely parochial perspective, we don't have much to cut, although we are involved in a 10 percent cut. We will achieve that by 2017.

But the real important point for us is someone has an image of the civilians. Ninety percent of our civilians are outside the national capital region. They are working at our depot. They are providing force protection at our bases. They are running our training facilities. They are running our family programs.

So as I look at it as a service chief, I look at our civilians as tooth, not tail. In other words, they are directly contributing to the combat effectiveness and the readiness of the United States Marine Corps. And if they are not, then I agree with you 100 percent, then we need to take a hard look at whether or not we have them.

Mr. CALVERT. Okay. And I understand, and I just think that we have a take a serious look at that, because we would rather have the money stay in the Marine Corps and the Navy and to give you better flexibility, Secretary Mabus, to operate your Department.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Point well taken.

Mr. Ryan.

MENTAL SKILLS TRAINING

Mr. RYAN. Thank you, Mr. Chairman.

Thank you, gentlemen. This is clearly very challenging times, and we appreciate your service and all that you are doing day to day to try to meet the goals that are set for you, as unreasonable as sometimes we seem to have placed them for you.

I have got a couple of questions. First, General Dunford, a few years back when we met we were working on this mind skills program and mental fitness training with Dr. Liz Stanley from Georgetown. I was a few years ago stunned by the fact that many times the warriors' stress level was almost at its highest when they were preparing to go off to war, the family situations, just getting ready to leave. And we now know that that diminishes your working memory capacity, your cognitive functions, and all the things that you are going to need when you are out into the field of battle.

And this mental skills training program has shown some real signs of increasing working memory capacity, increasing cognitive function, increasing resiliency so that we are really making some key investments into the warrior that are going to prepare them for the kind of high-level stressful situations that they are going to be dealing with.

So there were some positive studies that came back, and then there was a study that was put out for mental skills training and basic reconnaissance in the Marines, and it was funded by the Office of Naval Research. And it was a 2013 study. I am waiting for the results to see how that is going.

General DUNFORD. Congressman, thanks for asking the question. And as you alluded to, I really started getting into this probably back in 2010 when I was the commander of our Marine Expedi-

tionary Force on the West Coast. And we started a pilot program that has come along apace with some other research efforts that you spoke about.

Right now, we have the data that says this is absolutely the right way to go, that this can, in fact, reduce the stress of our Marines across, whether in predeployment, deployed, or postdeployment. But as you point out, some of the most stressful period of time is the predeployment phase. We found that. That is analytically based.

Right now, what I am trying to do is figure out how to what I describe as marineize it. We have 35,000 new marines every year. We have got an Active Duty force of 182,000, another 38,000 marines. And what Dr. Stanley has been able to do to date is work with relatively small groups and small units, but not necessarily give us a program that can be applied across the Marine Corps.

And to be honest with you, this is one of those items that is on my checklist. I have been on the job just about 4 months right now. And as I came into the job, I did ask some questions about where are we in the research. I have had a conversation, I guess, a couple of conversations with Dr. Stanley since I have been in the job. And over the next couple months what I will be looking to do is figure out how we can integrate these types of techniques so that we are doing nothing more, nothing less than exercising the brain the same way we do with the body to contribute to the combat effectiveness of our marines. Part of that is reducing stress.

Mr. RYAN. Great. Well, if you could check on the study, the latest, see what the results are so we can get moving on that.

And, Mr. Chairman, I know I have talked to you about this several times, on trying to dig a little bit deeper in, not only the resiliency of the warrior, but in many instances I think this can inoculate from some post-traumatic stress issues that come down the line. So I appreciate that.

PIVOT TO THE PACIFIC

Admiral, just a quick question on the Asia-Pacific rebalance. If you could give us a little bit on that and where the Navy stands in the rebalance and rebasing, reassignments of units, and that kind of thing.

Admiral GREENERT. The rebalance I put in three categories: forces, capability, and what I call understanding.

So with regard to forces, we are putting more forces in the Asia-Pacific region, some in our forward-deployed naval force, that means forward station. So in the next 2 years we will put two more destroyers in Japan. This year we are putting another submarine in Guam.

We have the *Fort Worth*, which is the number two hull number, Littoral Combat Ship. She is on deployment over there. That is the second deployment over there, would be out of Singapore in that area. So when she completes this deployment, it is a 16-month, she is about 5 months into it, changed out the crew once, the next ship that comes over will stay in Singapore, then another, and two more. So we will have four Littoral Combat Ships by 2017, by the end of 2017, in Singapore. So four Littoral Combat Ships, two destroyers, a submarine in Guam. That is part of the force structure.

Our P-8, it is a maritime patrol aircraft, it is a 737-800 series aircraft, replaces a propeller aircraft, four-engine propeller aircraft. They have been on deployment now for three deployments out there. So that is in the Asia-Pacific and that is the first area we have deployed this.

Our Joint Strike Fighter, by the end of this decade, will deploy to the Western Pacific, so you see the trend. We are putting all the forces out there, either forward station or they will deploy there first. All on track, sir.

Number two, capability. We benchmark anti-air, antisubmarine, electronic attack, cyber, all to how it would perform in the Western Pacific against potential adversaries out there. That is going apace. The modernization is delayed. I spoke to that in my opening statement. It is in my written statement. That one has slowed down. The point is, the benchmark is in place.

And then lastly, understanding. It is really about reassuring our allies, establishing partners, and really establishing ad hoc partners where the case may be.

Mr. RYAN. Are there any new countries involved?

Mr. FRELINGHUYSEN. I want to make sure Mr. Womack gets his oar in the water here too.

Mr. RYAN. Are there any new countries that are involved in what you are doing out there?

Admiral GREENERT. By new countries, friends that are doing more, Malaysia, in particular, Indonesia, in particular. I just mentioned Singapore, who has really come forward. You are familiar with the Philippines interest level, Vietnam interest level. So there is a pattern there. Southeast Asia is emerging.

And lastly, I would say, we have a great opportunity emerging now with the President and Prime Minister Modi, the recent get-together with India, and what that partnership means.

Mr. RYAN. Thank you.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Ryan.

Mr. Womack.

TRANSITIONING OCO REQUIREMENTS TO THE BASE BUDGET

Mr. WOMACK. Thank you, Mr. Chairman.

I too want to offer my thanks to the service of these gentlemen that are before us today, and, particularly Admiral Greenert, your service. The time that I have spent in the last year on the *Nimitz* and on the *West Virginia* and with some special guys down in Coronado has been a real highlight of my time in Congress, and never cease to be amazed at the competence of our men and women in uniform.

And, General Dunford, your service, particularly your most recent service in Afghanistan. I truly appreciate your hospitality when we traveled there. It is remarkable what you guys have been able to do.

You all have had to rely not only on base funding to account for readiness shortfalls, but OCO, as we commonly refer to it, and I understand that the need for OCO doesn't go away when we leave the Afghan theater. OCO is used to get our equipment home, get

it into the proper maintenance posture and ready for its next mission.

The conversation has come up again and again how to scale OCO down, perhaps 1 day even to zero. I don't know if that is realistic. And I know we don't live in an ideal world. But have you begun to transition OCO enduring requirements in the base yet? Or help me understand how we are planning in that regard.

Admiral GREENERT. Well, Congressman, we started in that direction about 4 years ago. And what happened was, either at the defense level, the OMB level, or here in the Congress, the decision is made to put more operations in OCO and then replace where that came out of with maybe some procurement.

So I think what we need is we need an agreement by all three of these entities to say, here is the plan, here is how we are going to transition from maybe what is called OCO today to a new supplemental fund used for emergent operations out there. Today, my readiness accounts of, say, \$21 billion, about \$3.6 billion of it is OCO, that is funded by OCO. And about 2 of that, I would say, probably eventually belongs in a base, belongs in the base.

So I think we can do this, but I think we need a deliberate, coordinated action so that I ask the Secretary, hey, let's put this in the base, and then somebody pulls it out of the base and replaces it with OCO and then does something else with that money. That is confusing to our folks.

Mr. WOMACK. General.

General DUNFORD. Congressman, thanks. Two years ago, in 2014, we had a little over \$4 billion in OCO. This year we have a little over 2; and our request in 2016 is a little over 1, it is 1.3 billion. So we have, in fact, come down about half each year. But like Admiral Greenert, now I am starting to see challenges of training for the contingencies that we are involved in that were not anticipated 2 or 3 years ago.

So a combination of the operations and maintenance money to train for the unexpected, combined with the continued requirement to reset is the foundational requirements for our OCO right now. We will be done with the reset requirement from Iraq and Afghanistan by 2017, so this is the last year we will request money for reset. But of course that assumes steady state requirements in the United States Central Command, AFRICOM, and elsewhere.

BUDGETARY RISK

Mr. WOMACK. My other question is, and I bring this up every year, I think, it is levels of acceptable risk. And of course this budget that we are dealing with, whether it is sequestered budget or maybe even as high as the President's budget, that is still to be determined. How are we able to square risk in budgets? This seems to me to be a very difficult exercise, because you almost have to plan two different budgets. I guess you almost assuredly have to plan two different budgets. How are we able to measure and assess risk?

Mr. MABUS. We manage and plan for risk in—it is one of these hard choices you make—what is the highest probability of what is going to happen, and what are the results if it does? So high probability, small result; low probability, but a very bad result on the

end. And you have to balance force structure, so people, platforms, and readiness, to meet, number one, the most likely contingencies, and number two, to have the most flexibility for the contingencies that you don't plan for. But the very word "risk" means you take some chances in some things that are low probability, that you simply don't have the resources.

Mr. WOMACK. Mr. Secretary, if we have a sequestered bucket in fiscal year 2016, in your opinion, in your professional opinion, is it an acceptable level of risk?

Mr. MABUS. I will quote the Commandant here: We go from risk to gamble. It is no longer risk. It is simply a gamble.

DWELL TIME

Mr. WOMACK. I have one followup question, Mr. Chairman, and I know my time is up, but this will elicit only a short response from General Dunford.

You mentioned in our opening one-to-two dwell time. Where do we need to be on dwell time?

General DUNFORD. Congressman, optimally, it would be at one to three. That is what I grew up with most of my career, deployed for 6 months, back for 18 months.

Mr. WOMACK. One to three is sustainable?

General DUNFORD. We can maintain one to two. We are maintaining it right now. One to three is optimal. What you really start to see when you are at one to two is the inability to train across the range of military operations. So you are really preparing for the next deployment as opposed to preparing across the range of military operations. That is the difference between one to two and one to three, as well as, obviously, the human factors, how much time you spend back at home with the family.

Mr. WOMACK. I thank the gentleman.

Mr. FRELINGHUYSEN. Thank you, Mr. Womack.

Mr. Ruppertsberger.

SEQUESTRATION IMPACT ON CYBER COMMAND

Mr. RUPPERSBERGER. First, thank you for being here and for all of your leadership throughout the years.

First thing, you have been testifying today, Secretary, clearly, is crippling policy. Mr. Womack, I thank you for that question and the answer that we are now putting our national security at a gamble phase. And I think it is really incumbent upon this committee, our other committees, to let our peers, whether it is Democratic or Republican, this should not be an issue of partisanship, it should be about the American national security and what is right for our constituents.

And I think that this testimony, if the average person—whatever their position is in Congress—understands where we are. You know, budgeting is about priorities. It is not about cutting across the board and you throw the baby out with the bathwater. And we need to rely on you with our oversight because of to say on the funding to make those priority decisions because we have to deal with the issue of spending. There is no question. That is out of control. Areas we can deal with and that is our committee oversight also.

But with that, I want to thank the chair for your leadership, and also for our ranking member for raising this issue, and for the members on the other side of the aisle for asking the questions to show where we are.

You know, Judge Carter is cochair of the House Army Caucus, we are going to get the same thing from the Army and Air Force. Now it is time for us, I think, and people who have insight on what is going on with our national security, that we are putting America at risk. And we can't let it go. So we have to educate people that have another point of view as it relates to sequestration.

With that, I want to refer you to Fort Meade.

Is that my district, Mr. Chairman?

Mr. FRELINGHUYSEN. Just about everything in this area is your congressional district.

Mr. RUPPERSBERGER. And the U.S. Fleet Command, that is the Cyber Command. You know, you talk about the issues that are so important, the danger of our country, you know, we talk about the terrorism, we talk about the rush of China and the Iran threat. And sequestration is, I mean—sequestration, got it on my mind, and cyber is right there one of the most serious issues we are dealing with. We see the attacks coming more and more, constructive attacks, stealing attacks, and we really have to be on our game as it relates to that.

Now, in the Cyber U.S. Fleet Command in Fort Meade, can you provide details on the consequences that sequestration at this point would have on U.S. Fleet Cyber Command, what cyber capabilities on the U.S. Fleet Cyber Command fleet lose with that sequestration level bucket? You might want to say to the committee what the U.S. Fleet Cyber Command, what their mission is. And I don't know who wants to answer the question first.

Mr. MABUS. I will take an overall shot at it, and then I would like the CNO to weigh in as well. But what Tenth Fleet, U.S. Naval Cyber does is it provides our cyber capability for the Department of the Navy and it folds in under the U.S. Cyber Command. And you are absolutely right, cyber is a new area of warfare, and you only have to look at what happened in Ukraine or any of a number of places to see how it is being not only integrated into warfare, but a warfare area all its own.

What we have been providing is teams, cyber teams to the Tenth Fleet and to U.S. Cyber Command. We are on track to provide about 40 of those teams that are the warfighting teams in cyber. I will have to get you for the record the exact what would happen if our budget went down, but it would have an impact on both the capacity and the capability of cyber.

[CLERK'S NOTE.—The Navy did not provide a response.]

Mr. MABUS. And it reaches farther than Tenth Fleet, because cyber is a concern all around the world in every one of our platforms and every one of our bases. And how we operate and how we both defend and go on the offense in cyber is critical, and Tenth Fleet and U.S. Cyber Command provide the underpinning for that.

Mr. RUPPERSBERGER. Admiral, or whatever is called the air gap between systems and that is to make sure that we can secure our network, our computer network and physical, they penetrate air gap, they can, I think, all classified information. And I know we

are continuing to work Cyber Command focusing on that. So if you can answer my question, if you can address that area.

Admiral GREENERT. Yes, sir. What that refers to really the ability to what I call put sentinels in the system, automatic sentinels. They scan all of your networks at each level to see if there are attempted intrusions or there are intrusions and in some cases take automatic action. So we need to upgrade our systems to put these in. Right now that is done by people who methodically kind of go through each and every network looking for unusual activity. So we have got to get to what is normal.

What I would tell you, Congressman, is cyber is a very high priority. I would very much hesitate to come to Secretary Mabus and recommend much reduction in cyber, even at Budget Control Act levels.

Mr. RUPPERSBERGER. My issue in answering the question is what would the results be if sequestration continues on. We are going to have to deal with it.

Admiral GREENERT. Here is what would happen. Well, here is what would slow down: upgrading our networks on our ships and even ashore with systems that are already, if you will, resistant, that have this building capability that we are referring to that we would put up there in the headquarters. So going to application-based communications on our ships, going ashore as well. Program is called CANES, it is called NGEN, Next Generation. That would slow down. So we are more vulnerable for longer at getting these replacement systems put on. And so, as we say, the risk, the gamble would go on in a very critical area, cyber.

Mr. FRELINGHUYSEN. Thank you, Mr. Ruppertsberger.

Judge Carter. Thanks for your patience down there. Poor Mr. Graves.

CLOSE AIR SUPPORT ALTERNATIVES

Mr. CARTER. Thank you, Mr. Chairman. And I apologize for coming in late. I, as you can imagine, have a bill that is giving me problems.

Mr. FRELINGHUYSEN. Chairman of the Homeland Security Committee.

Mr. CARTER. As my cochair over there mentioned, I represent the Army, Fort Hood is in my district. I have a lot of interest in the debate we had last year on close air support, and I ran across some information that I wanted to ask you all about. In a test last year, a team of U.S. marines called in an upgraded Tomahawk missile strike at a nearby target, just like they routinely call in arterial or aerial attacks, Cobra helicopters. Bob Work, the deputy secretary of defense, declared a similar test a potential game-changing capability for not a lot of cost. This kind of innovation provides the military with a powerful new weapon without actually buying much new hardware.

Can you speak to any of the opportunities associated with deploying Tomahawk cruise missiles as innovative alternatives to putting close air support, jets, in the air? And can you speak to any potential cost differential associated between close air support missions executed by Tomahawk missiles versus aviation?

Admiral GREENERT. I think what Mr. Work was talking about, as it refers to Tomahawk cruise missiles, a Tomahawk cruise missile, you give it a point, you say go hit that point. Incredibly accurate, and we have been going that way. The Tomahawk called Block IV, what you can do is send it up there and instead of sending it right to that point, it will loiter and you can upgrade the point you want it to go to.

The next step is you keep updating that aim point, and you have a constant feed to the missile as it is coming in, and it changes, and it becomes, if you will, its own sensor. So what you need is a link of constant information feeding it. We found a way to do that, with the right network in the air of sensors. The key to that is that link, that constant upgrade. We figured out how to do that, Congressman, and that is the key of that.

So now a moving target, which used to be such a problem because you were looking for a point, you can't avoid the missile now as much with this accountability.

Mr. CARTER. Well, that is pretty cool. But how does it compare effectiveness and cost-wise as you look? And according to this article, a bunch of marines called it in on a target on the ground and they also used it to hit a ship.

Admiral GREENERT. What is cool about it is you have the weapon now, not in 2018.

Mr. CARTER. You don't have to develop it, yeah.

Admiral GREENERT. Yeah, it is now, with a couple of changes and a data link we already have, with a missile we already have, with sensors we already have. Just get them all talking on the same link, and now you have that accountability.

Mr. CARTER. And cost-wise, how does it compare with air resources?

Admiral GREENERT. A few million versus tens and tens and tens of millions.

Mr. CARTER. General, do you want to comment on it?

General DUNFORD. The only thing I was going to say, Congressman, I mean, I can see where that Tomahawk missile would be helpful for a high-end operational target or a strategic target, but probably not routinely the most effective weapon system for a tactical target or close air support.

Mr. CARTER. Well, that is kind of what I was curious about, because the way the article read, it sounded like it was being used for that kind of tactical target. And of course we had the big A-10 debate last year and there is still a bunch of ground troops that like that aircraft, and so I was curious about that. And I thank you for the answer to that question.

ADVANCED TECHNOLOGIES

Mr. Chairman, I may have time for another question.

Can you elaborate on how the Navy is working to apply advanced technologies to achieve more with less? What I am referring to is in 2014, on occasion, the U.S. executed a series of five air strikes against ISIS targets at a cost of \$2.5 million. The tactical victory entailed was one destroyed truck, one anti-aircraft artillery piece, two small boats, and a fighting position. This seems to be a relatively high cost-benefit scenario.

Today's reality is defined by fiscal constraint amidst this complex national security environment. In light of this, we need solutions that are cost effective. What are you looking at as far as advanced technologies? And I would say the cruise missile discussion would be one of them, but are there others that you could enlighten us about?

Mr. MABUS. I can give you two very quick examples here. We have deployed a laser weapon on the *Ponce* in the Arabian Gulf right now. This laser weapon, the shots are measured in cents per shot, and it is an almost endless magazine because all you have to have is energy. You don't have to have a physical weapon. And we are testing it now, and so far the tests have gone very well.

Mr. CARTER. That is good.

Mr. MABUS. That is an example.

The second example is the railgun, which we are also going to put on a ship later this year to test in the maritime environment. Last week, I got to go to the Naval Research Lab and actually shoot one of those railguns, and it comes out so fast, Mach 7, Mach 8, you don't have to have high explosive on the other end, and all you have to have is the right shape, the right kind of projectile. But, again, it is measured in very low cost, and the amount per shot is fractions of—

Mr. CARTER. And actually one of the things I was going to ask in particular with the railgun, because they developed part of that at the University of Texas, and I was there when they fired the railgun, and it is pretty impressive. And they pointed out that on a ship in a large size it can do major damage a long way away without any explosives.

Mr. MABUS. It can do major damage to almost anything, and it is about \$30,000 a shot versus a million for a missile.

Mr. CARTER. Thank you.

Mr. FRELINGHUYSEN. Thank you, Judge Carter. There is always a Texas solution somewhere.

Mr. Diaz-Balart.

COUNTER NARCOTIC EFFORTS

Mr. DIAZ-BALART. Thank you, Mr. Chairman.

And since I am new, I am more listening and learning, but I have couple things that have come up. When Chairman Rogers, Chairman Granger, and a few others and I were at SOUTHCOM—I don't know, maybe 6 months ago, I don't know how long ago it was—we learned something that was rather astonishing, which is that, obviously, the Navy and the Coast Guard have a crucial role in interdicting narcotics. And we know that, I forget the number, but something like 40,000 Americans die every year—don't quote me on that number—from illicit drugs.

What we learned is that what SOUTHCOM sees, they can only interdict, I think it was something like 20 percent. And, again, don't quote me on the numbers. And so it is an issue of assets.

So are there plans to increase our assets in our hemisphere to deal with narcotics? And how would sequestration potentially affect that?

Mr. MABUS. Congressman, that is one of the best examples of what happens when you don't build enough ships. And it doesn't

happen right away. It happens 10, 15 years down the road. We had frigates that were performing this mission in SOUTHCOM. Those frigates were built in the late 1970s, early 1980s, and they have reached the end of their lives. We are retiring the last of those frigates this year.

The follow-on to those frigates are mainly the Fast Frigate or Littoral Combat Ship that we are doing, but we didn't start building them soon enough. And so there was a gap. There was a gap in SOUTHCOM.

Now, the Littoral Combat Ship, the Fast Frigate will bring far more capabilities when they get there, and we are building them. We have got 24 under contract today. And so we are getting them there. We can also use this platform, the Joint High Speed Vessel, to interdict drugs. But it is one of the crying needs that we have, is to have enough assets in places like SOUTHCOM.

But when the size of the fleet goes down and you have to prioritize where you put those assets, and you have Central Command, you have the Western Pacific, you run out of assets. And that is, as I said, the best example I can come up with of the effects of not building ships today will have on the people who are sitting here 10, 15 years in the future.

Mr. DIAZ-BALART. And, obviously, that is real life and like that there have to be, obviously—and we have heard them today—dozens, if not more, examples of specific issues that actually are harming our national security interests. In this case, again, lives are being lost every single day. So it is a real impact.

MANDATORY SPENDING REDUCTIONS

I just also—if I can ask one more question, Mr. Chairman—first, I agree with what Mr. Ruppersberger said, that it is really our responsibility to explain to people what their real-life situation is, and it is real. And the number that was never supposed to get here, which is sequester now is here and we have to live with it.

Now, the ranking member also, I think, made a great explanation of explaining that more than two-thirds of the federal budget now is mandatory spending—we don't touch that—and so we continue to have to deal with a diminishing source of funds.

Last year, the President put on the table in his budget some reforms of mandatory spending. So forget about whether they were good ones or bad ones, he at least put some reforms of the majority of the budget which we don't touch. This year, he did not. And so we have a responsibility to do our job. The administration has also a responsibility if we are going to deal with this sequester issue, which I think we have to deal with.

Do you know if there is any indication that the President is going to be looking at putting forward any proposals to reform some parts of the—which he hasn't done this year—on mandatory? And again, it is up to us to do our part, and I think we have not succeeded in doing it, but I think it requires all of us to play. And also being on the Budget Committee, one of our frustrations is that we have seen no such recommendation. Any idea—because we see the impact of not doing it—any idea if the President might be looking at actually putting forward some amendment to his budget on that?

Mr. MABUS. Congressman, that is so far out of my lane that I am going to get in trouble no matter what I say.

Mr. FRELINGHUYSEN. Let's keep the Secretary in the naval lanes. You would probably appreciate that, wouldn't you?

Mr. DIAZ-BALART. Again, I am still learning, Mr. Chairman, as I said before. So I am just trying to see what the parameters are. But, again, clearly we have real-life effects of when we don't adequately fund our military.

Mr. FRELINGHUYSEN. We will make sure we do a mine sweep earlier in the hearing. Thank you, Mr. Diaz-Balart.

Mr. Graves.

OHIO REPLACEMENT PROGRAM

Mr. GRAVES. Thank you, Mr. Chairman.

Well, thank you each for being here. And certainly no matter where the seat is at the table, I am grateful to be at the table, Mr. Chairman, and have this conversation. It is so important.

Admiral, a question for you, if you don't mind. And you have touched on it a little bit with your—

Mr. FRELINGHUYSEN. One of them needs to be turned off or something. I am not sure what is going on.

Mr. GRAVES. All right. We are on. We are good. Attempting to reclaim my time.

Admiral, as it relates to the *Ohio* Replacement Program, can you share with us your expectation of where that is on your priority list and where you see that going and how it might maintain that priority to see completion on the proposed schedule?

Admiral GREENERT. Well, it is at the top of the program priority list. So when I come to Secretary Mabus, I will describe to him, okay, here is the priority, Boss, that I am laying before you. The *Ohio* Replacement is the replacement for the *Ohio*, which is the sea-based strategic deterrent part of the triad. Number one, it is homeland security, the protection of the homeland. We have to replace it. The youngest *Ohio*-class submarine is 17-years-old. So many of them, the first, they will be over 40 years, they were designed for 30, whenever their time comes, which is starting in the mid-2020s.

So we have to start building, that is bending steel, as we like to say, in 2021, so that the boat is complete by 2029, so it goes on patrol by 2031. There is no slack, Congressman. We have to fund it. If we have to endure it in our shipbuilding plan, if there is not some assistance outside, which has been the case in the past for national programs like this, that is about a \$9 billion bill in 2021 alone.

The best we do in shipbuilding in a year is \$14 billion. So you can see how much of that shipbuilding account, which has been going so well for so long. We are committed to it. It has to be done. It is a national priority right now.

IMPACT OF BUDGET CONTROL ACT ON NATIONAL SECURITY

Mr. GRAVES. Great. Thank you for sharing that.

Mr. Chairman, if I might try to attempt to stay in the lane for a second.

Mr. Secretary, I am hearing certainly, I guess, the agreement about sequestration and where it has taken us. But I think back to 2011 and the Budget Control Act, and I am trying to recall if I remember the Defense Department openly speaking in opposition to the Budget Control Act and the potential implications.

Can you point to any remarks you made at that time that indicated what a threat that would be to our country? Because we find ourselves here today with a lot of people saying what a bad idea it is, but I don't recall that being said back then.

Mr. MABUS. I know I said it, and I will search through files that nobody looks at, which are my old speeches, to find you some examples.

But I think at the time everybody thought that it was such an awful thing that it would never happen. And that was what was being said pretty much universally, that the consequences for defense and nondefense were so horrendous that it just couldn't come to pass. And we have seen how bad those consequences are as a result.

Whatever people said in 2011, I think that it has been pretty consistent down the path that the effects of sequestration for the things that we are responsible for, the Navy, the Marine Corps, were in 2013 devastating and will be in the future. And of that, everyone has said it. What we said in 2011 when it was still a theory, I can't remember exactly, but there is an old Yogi Berra quote that said, in theory, there should be no difference in theory and practice; in practice, there is. And in practice, sequestration is pretty awful.

Mr. GRAVES. Well, this is serious stuff. This is a Yogi Berra kind of situation in my opinion. And I have looked and I haven't found any public statements of your opposition at that time. And, in fact, in 2012, in front of the Senate Armed Services Committee, you indicated that you would work within the constraints of the Budget Control Act with those involved. A lot has changed since then. And you publicly since, probably in 2013, 2014, that is when your comments turned more to the negative.

I guess when I think about where we are and the role that the Defense Department plays for our country in trying to project risk assessments, and not seeing that, and no one in the Defense Department is seeing that at that time, can you point to any one person who now has accepted responsibility for putting our Nation in a position in which, it has been stated today, where the risk assessment is a gamble? Anyone accepting responsibility for that, putting us in that position?

Mr. MABUS. I am not sure I understand the question in terms of—Congress passed the bill. We have had to live with that and we have had to express what the risks are to this country, and that is what we have tried to do today, that if we go back to that, what the gamble is going to be.

Mr. GRAVES. Your statement today was, we didn't think it would happen.

Mr. MABUS. Well, I think that is true for everybody who was here.

Mr. GRAVES. Thank you, Mr. Secretary.

COMPOSITION OF TODAY'S FLEET

Mr. FRELINGHUYSEN. Thank you, Mr. Graves.

I know members have some questions. I do. I want to talk, Admiral Greenert and Mr. Secretary, a little bit about the makeup of today's fleet. And the perception is it is pretty light on capital warships, destroyers and cruisers, and we have a greater reliance on other types of ships.

Given the headlines we see today, "China Submarines Outnumber U.S. Fleet," one of your admirals made some comments relative to that, "China Rebuffs U.S. Requests to Halt South China Sea Island Work," I mean, I am not sure we should ever leave a pivot to the Middle East because I think we have some major commitments there. We certainly have commitments to the Mediterranean. But I would like to know a little more about the capability of the fleet that we have given what we see the Chinese developing, the Russians developing.

I know people mock what the Iranians did in the recent days, but in reality that is to some a show of force, and sometimes, if we are not prepared, we can be vulnerable. So I would like some comments relative to the robustness of the fleet that we have, given the traditional view of our need for more capital warships.

Mr. MABUS. Mr. Chairman, as I said in my opening statement, we have and we are building a balanced fleet. We are building two DDGs a year. We are building two *Virginia*-class attack submarines a year. We are building amphibies to get to the minimum number of 33 that the Marines need. We will get there by 2018. And we will continue to build all three types of amphibious ships that we have.

We have a need for other types of ships too. We have a demonstrated need for 52 small surface combatants. They do different tasks than the large surface combatants. It is one of the reasons that we are working so hard to make sure that we keep the cruisers into the 2040s.

Mr. FRELINGHUYSEN. Well, there was a time when the cruisers were supposed to be put into retirement, and so there has been sort of a recognition that—yeah.

Mr. MABUS. Absolutely. And there is a recognition that not only quantity, but quality and capabilities. We have, I think, the right balance of capabilities. And I am going to turn to CNO in terms of very specific capabilities, but one of the things that the CNO has focused on here today is if we go back to sequestration-level funding, one of the main hits is going to be to things like the modernization, to things like upgrading capabilities, to things like the technological edge that we possess. So we are building a balanced fleet. We are going to have enough—

SUPERIORITY OVER ADVERSARIES AND RULES OF ENGAGEMENT

Mr. FRELINGHUYSEN. So the balanced fleet that we are building and our committee is invested in, I assume we continue to have overwhelming—we used to call it—overwhelming superiority over other players, particularly China, which has done a remarkable job challenging us in the South China Sea. So we still have the naval edge there?

Admiral GREENERT. Today, yes, sir. I talked about it. If we go down the road we are on, sooner or later we are going to get there. We won't have it in the future.

Mr. FRELINGHUYSEN. One of the issues here, and normally I raise this issue with the Army, the rules of engagement here. I mean, it seems we are already engaged and confronted on a fairly regular basis. Tell me if we are not. What are the rules of engagement given the type of confrontations we have had?

Admiral GREENERT. That is a long topic.

Mr. FRELINGHUYSEN. It is a long topic.

Admiral GREENERT. We have adequate rules of engagement for—

SIZE AND COMPOSITION OF THE FLEET

Mr. FRELINGHUYSEN. It goes to our sailors that are in the Pacific. It goes to the issues of the bravery of our Navy SEALs. There are issues of rules of engagement here. And there is sort of a growing perception that we are sort of tying our hands of some of those who are so well trained, so capable, so motivated, so patriotic.

Admiral GREENERT. Well, Chairman, a few things for the record. Today we have 71 submarines. China has 53. Forty-four of them are diesel. But they are building nuclear submarines. So there is a metamorphosis going on, but it is not there yet. So it is out there, though. We are on the track.

We have to have the balance of fleet. You mentioned it twice, it was in your opening remarks. We have recently had destroyers, Aegis destroyers, \$2 billion ships running around chasing pirates, thugs, doing counterpiracy. As the Secretary said, we are balancing the fleet. We are building Joint High Speed Vessels to do piracy, to do humanitarian assistance, to help the Commandant of the Marine Corps' folks move marines around there.

We need today 38 amphibious ships, gray hull ships to do combat. To do the business of the world today, we would need 50—to do humanitarian assistance and all those others—amphibious ships. So we build, with your support, things like the Afloat Forward Staging Base so that we can provide counter-SOF, special forces, do counterterrorism, do the kind of missions that resonate with the capability you have. It is the right expenditure of money.

Today, we have 87 what we call large surface combatants. Those are the capital ships you mentioned earlier, Chairman. Twenty years ago we had about the same number in a fleet we were so proud of. We had 400. So the combatant balance is pretty good today. We are going down in submarines, you mentioned it yourself, Chairman, and that is a function of submarines we built 30 years ago, two, three, four a year, we are building two today. So that is going to go into a dip before we come out of that dip and get to the 48 we need.

Mr. FRELINGHUYSEN. Well, this committee has been very supportive of our submarines—

Admiral GREENERT. Very supportive.

Mr. FRELINGHUYSEN [continuing]. The two *Virginia* class. Certainly there are investments in the *Ohio* class. I am just wondering where it measures up to what the future challenges are. We have

the near horizon. We have the far horizon. And over the years people have been somewhat dismissive of what the Chinese are doing.

And, obviously, we always weigh in on the side of diplomacy and good relations, but in reality they are denying us areas where there has been free transport, the world's commerce in oil passes. There have been issues of us denying us access to areas where we have traditionally maintained actually the world's commerce. I want to make sure we still have that.

Admiral GREENERT. Chairman, I can't think of a place in this world of oceans that our Navy can't go today. Nobody is denying us anything. We talk about threats and we will throw out scenarios and future scenarios and people will tell you, you will be denied to go in there. That is a scenario, we could speculate to that and I could talk a long time with you, particularly in a classified arena. But I will tell you this, Chairman, if we go on the path we are on and we go to Budget Control Act numbers, it is a different world. It is a different situation. I would be giving you a different story 3 or 4 years from now.

Mr. FRELINGHUYSEN. Well, that is all the more reason—getting back to my earlier comments—that we need to know exactly what the impacts will be to what we are about to embark on here. I think we are on your side, but we actually need, should we say, more meat on the bones as to what actually we would be losing if we get into this situation.

Let's see. Mr. Visclosky.

Any question?

PERSONNEL MISCONDUCT, WOMEN ON SUBMARINES, SEXUAL ASSAULT

Ms. MCCOLLUM. Thank you, Mr. Chairman.

I am going to have three more personnel-type questions. I will do all three of them at once, and as you have time to answer in full committee, I would appreciate it. Anything you can't get to, please, get back to us in writing.

Secretary, I want to touch on the Glenn Defense Marine Asia scandal. I understand that naval officers have been charged in the case. Three admirals were censured just a couple of weeks ago. News Defense reported earlier this month that 36 flag officers are under investigation with only 219 flag officer billets, so this is a serious problem for you. Can you comment on how this is impacting the Navy's ability to properly manage operations?

And, Admiral, I am interested to hear your views on the underlying cause of this case. Could you tell us what processes were missing in the payment review that allowed such a scheme to last for over a decade? And so what we are doing to keep this from happening again.

Another question that I have has to do with the Navy opening up submarine duty positions to women in 2011. In June 2013, you submitted an implementation plan to open all occupations with limited number of closed positions and equal professional opportunities for females in every officer designation enlisted ranking in the Navy in January 2016. So I would like you to tell us what is ongoing and where the Navy will be in meeting this January 1 update.

There was also an issue where there was an incident where a female officer was videotaped in the shower, and I would like to know where you are with the punishment and discipline with the sailors involved.

And then last, Secretary, you came before us, we had big discussions about what to do about sexual assault. One of the things that you asked for was for an increase in resources for the Naval Criminal Investigations Service and judge advocates. Could you please describe to the committee what additional resources you made available in fiscal year 2015 that supported your desire to strengthen NCIS and Navy JAG to investigate and prosecute sexual criminals, and do you plan to continue or strengthen those resources in 2016?

Thank you. And if you would start with the Asian scandal first.

Mr. MABUS. I think one important thing to remember about GDMA is that the reason that situation came to light was that we set up some tripwires that raised a red flag and NCIS started investigating it. They investigated it for 3 years with no leaks. They found an NCIS agent who was passing information to GDMA, to Leonard Francis. They fed him false information to convince him that the coast was clear. We stopped this. It was Navy that found it. It was Navy that did it.

Now, it shouldn't have gone on nearly as long as it did. I assigned the assistant secretary of the Navy for RD&A, research, development, and acquisition, to look at how we do these husbanding contracts, not just in Asia but around the world, and also the head of the Naval Audit Service to go in.

We have substantially strengthened the way we do husbanding and the internal controls in husbanding. To give you a couple of quick examples. The way Glenn Defense Marine was able to get away with so much of this was you would have a list of things when a ship went into port that the ship would need. Glenn Defense Marine would say we—

Ms. MCCOLLUM. Mr. Secretary, with all due respect, though, my question was, can you comment on how this is impacting the Navy's ability to properly manage operations?

Mr. MABUS. It has not impacted our ability to manage operations, Congresswoman.

Ms. MCCOLLUM. So you are able to move positions and fill positions even though people are under investigation and people are able to retire, even though they are under investigation? I might have misinformation. I am just trying to clear it up.

Mr. MABUS. Because the investigation is taking so long, because the decision on the people who may or may not be implicated is taking so long, it is frustrating, because it limits our ability in some cases for people to retire or for people to move around. We are completely on the timetable of the U.S. Attorney's Office in terms of when these things come out. When they do and no criminal charges are filed, I have set up a consolidated disposition authority to say, it might not be criminal, but did it meet Navy ethic standards? And that is where the three letters of censure came from. Those were recommended to me and I signed those.

We are able to manage it now. If the timetable stays as slow as it is, we are going to have some problems in the future. And I am sorry I misunderstood your question.

We are meeting women in subs, the timetable that we set forward, women are reporting right now to *Virginia*-class submarines, and I will get back to you. I have some very specific numbers. And we have expanded NCIS and Navy JAG and sexual assault.

Ms. MCCOLLUM. Mr. Chairman, I am looking forward to the committee having more information. Thank you.

Mr. FRELINGHUYSEN. The Representative has posed some questions. I think some more answers are required for the record.

[CLERK'S NOTE.—The Navy did not provide a response.]

Mr. FRELINGHUYSEN. Thank you for raising the issue.

Ms. Granger.

F-35 JOINT STRIKE FIGHTER

Ms. GRANGER. I have questions for Admiral Greenert and General Dunford regarding the F-35.

Admiral Greenert, you have said that the F-35C will allow the Navy to ensure access and project power. Can you tell me why the capabilities of the F-35, what they bring the Navy and why that is so important?

Admiral GREENERT. Well, the F-35, first of all, it is stealthy. So right off the bat you can avoid certain bands of radar, and I will stay out of the clarification, but search radar. So that is good. That gets you access right there.

What people don't talk about is it has got tremendous range. You almost double the range from an aircraft carrier with F-35C. It carries more ordnance, has a detection radar for air to air, which is much advanced, and it can network with other aircraft and other of our assets, so ships and the like.

So what you have is you have not only something that can get you access, deliver ordnance if you need to, jam and detect and share information for targeting for otherwise. So each of those is a tremendous leap unto itself, not just stealth. There is so much more.

Ms. GRANGER. Thank you. Because we normally focus really on the stealth almost exclusively. Thank you.

And, General Dunford, the Marine Corps plans on declaring initial operation capability later this year. Are you going to make that? Is there anything we could do to help you achieve that milestone? And I will ask the same thing, how important is the F-35 to the future of the Marine Corps?

General DUNFORD. Congresswoman, thanks very much for asking the question. I was out to visit the squadron about 10 or 11 days ago, and I left very confident that we will meet the initial operational capability for that squadron in 2015. And then we will have a squadron of F-35 deployed to the Western Pacific in 2017. So our fielding of the F-35B program is very much on pace.

There are a number of issues that have to be addressed. Each one of the aircraft has 54 separate modifications. That is one of the things I wanted to go out and look at. But I am convinced we have the right people on the scene making those modifications, and we have also leveraged some Air Force capability to make sure that we

get those modifications made in time. So it is complex, but absolutely optimistic that we will be able to get that done.

Admiral Greenert had talked about the unique characteristics of the F-35. For us, it is really two issues. One, it is a transformational capability. It is not a better F-18. It is not a better Harrier. It is a transformational capability. It does what our close air support aircraft does, but particularly in the information realm it is an extraordinary change in capability. But also it is the future of Marine aviation. We are reducing three type/model/series aircraft, all of which are older than two decades, to move into the F-35.

So part of my message today talked about readiness at home station. Fifty percent of our F-18s today are in what we call an out-of-reporting status, meaning they are not available for training. And the only way we are going to get well over time is to complete the transition to the F-35. That is how Marine air will be capable and ready in the future.

Ms. GRANGER. Thank you very much.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Mr. Crenshaw.

CARRIER ONBOARD DELIVERY ALTERNATIVES

Mr. CRENSHAW. I have got just a quick question about oversight. We take that seriously here in the subcommittee. And I know we have probably all flown on what they call a COD that flies out to the aircraft carrier. And last year, I think you all asked for some money to analyze and look at some alternatives to replace the COD. And then, as I understand it, all of a sudden the Osprey, which I have flown on, it is a great airplane, that selection was made, but there wasn't a lot of backup as to it seemed like a quick decision which hopefully saved money.

I am just curious, from our oversight standpoint, how you made that decision, and will we get to see kind of the analysis that you all did, looked at alternatives. Just briefly, can you tell us about that whole selection process?

Mr. MABUS. Sure. And absolutely we will give you all the documentation, the backup that went into that. We have been looking at the COD replacement for a good while, as you know. The further we got into the analysis of alternatives, the clearer it became that we had an aircraft, the Osprey, the V-22, that was a hot line, it was being made, that we could do the Navy version to do the COD mission with a change order to inside a multiyear.

And so it was a very affordable aircraft that would not only meet the needs of the COD, but also the COD, which you have flown on, I have flown on, requires a tail hook, they have to get in the landing pattern, and they have to be a part of the arrested and catapulted off aircraft.

The Osprey does not. They can be used in different parts of the carrier. They can also be used on other ships that the COD cannot. And so it is a more flexible platform. And the further we got in, the clearer that that option became. We have got voluminous backup. And, again, I will be happy to get you that and to do it in writing and also do it personally or with the folks who went through the analysis.

Mr. CRENSHAW. Thank you.
 Thank you, Mr. Chairman.
 Mr. FRELINGHUYSEN. Mr. Womack.

AIRBORNE ELECTRONIC ATTACK AIRCRAFT

Mr. WOMACK. Thank you, Mr. Chairman. Sorry I had to excuse myself for another hearing.

I have a question for Ander Crenshaw. Is it the arrest or the catapult that you don't like on the COD? Because I know it is maybe both of those. I don't know. I kind of like the COD myself.

I have got a Growler question.

Mr. MABUS. You would be the one——

Mr. WOMACK. Say again?

Mr. MABUS. You would be the one person.

Mr. WOMACK. I really enjoyed that. I did.

For the Admiral, I have got a Growler question. Last year—and if this has already come up, I apologize—but last year the request was for, like, 22 and we were able to provide 15. And now I understand that that requirement has basically been met with the 15, that there is no other need for the Growler. So in consideration of the electronic magnetic spectrum and the future of that space, what can you tell me about the need for additional Growlers?

Admiral GREENERT. First of all, I appreciate the support of the Congress and the committee on the urgent need that we had. I felt 22 was the appropriate number. We are tweaking that in. 15 is certainly helpful. That is the platform. The real payload is the key, the jammer. And so we need to get to the next generation jammer. That is what gets you the access.

But to your point, we are doing right now in the Department of Defense a study that looks at all electronic attack, to your point. What is the situation in electromagnetic warfare across the spectrum in our maneuver? So as I sit here today, Congressman, I say, I think we have enough. That gives us a total of, I think, 153, it takes us to. That is about right. I am going to hear from the whole Department of Defense because we are the jammer provider, if you will, electronic attack provider in that. So more to come shortly.

Mr. WOMACK. Good. Thank you.

I yield back.

Mr. FRELINGHUYSEN. Mr. Ruppersberger.

MQ-4 TRITON AIRCRAFT

Mr. RUPPERSBERGER. Yeah. The Triton unmanned aircraft system. I know that the Navy's maritime surveillance fleet is reaching the end of its service life and the Navy is recapitalizing this mission. Given the critical importance of maritime surveillance to our national security and our economy, we cannot afford a gap in this capability. Do you agree?

Admiral GREENERT. I agree, sir. And there is language we have to meet, and particularly in that regard, not to mention it is an important requirement.

Mr. RUPPERSBERGER. A big part of the recapitalization plan is MQ-4C Triton unmanned system. And this will provide persistent surveillance with an advanced maritime radar capable of providing detailed surveillance of millions of square miles of the ocean. So my

question is, does the Navy have sufficient resources to meet its global requirements for maritime surveillance? And have you explored opportunities to accelerate new and advanced maritime surveillance capabilities like the MQ-4C Triton?

Admiral GREENERT. The answer to that is yes. In our President's budget 2016 request, we have sufficient resources to do that transition, as you describe, from the EP-3, from the legacy systems that provide that, into the MQ-4 and its family there. We have that. We are looking at accelerating it. If an opportunity provides itself, we will accelerate it.

Mr. RUPPERSBERGER. Thank you.

Mr. FRELINGHUYSEN. Thank you.

Judge Carter, any comments?

KOREAN PARTNERSHIP

Mr. CARTER. Real quick, I want to talk about Korea. I have got a brigade from Fort Hood that is scheduled to resume command in the summer. There has been a lot of discussion about behavior of the folks of North Korea, tensions they are creating. Can you discuss how the Navy has changed its posture in the vicinity of the Korean Peninsula to complement support forces there and speak to any allied partnerships the Navy is working with to counter the North Korean threat to reassure our allies?

Admiral GREENERT. Well, our posture on the peninsula, we don't have a naval posture that is indigenous to Korea. But the forces in Japan are in direct support. In other words, they would all change operational command over to Korea if there is a contingency there. So as I mentioned, we are bringing two destroyers. Each of those has 96 missile cells, if you will, so that is pretty formidable.

Another submarine in Guam. That submarine would do, among other things, ensure that the waters in and around the Korean Peninsula are protected, if you will, for our purposes in that regard.

We are strengthening our alliance with the Korean Navy as we speak in that whole joint force concept. And so what I mean is, sir, it is not just force structure, it is our ability to operate together in a joint and combined entity there. And we increase the complexity of our exercise every year, and the Korean Navy is coming along very well. They have a substantial ballistic missile defense capability. They have the sensor, and they are looking to choose the weapon. When I say sensor, sensor on destroyers, and they have three with an option to build two more that they are looking at right now.

Mr. CARTER. Thank you.

LITTORAL COMBAT SHIP SURVIVABILITY

Mr. FRELINGHUYSEN. Mr. Diaz-Balart, any comments?

I just have a couple questions. I am concerned about China. In our trips to the Philippines, Indonesia, Singapore, I understand we have got some Littoral Combat Ships, a/k/a frigates, now in Singapore. The general consensus from our visits was that the 800-pound gorilla has won in terms of its dominance in the region, and I am concerned about that. And I know that we have huge capabilities, but there is a general consensus when we meet with the lead-

ership that they are throwing their lot in with the Chinese. I worry about that. I think we need to work much more closely with the Filipinos.

The notion that not only their aircraft carriers may not ever match our capability, but numbers, again, count if they are working on the submarine fleet, admittedly most of them diesel. That is a defense projection that we need to seriously consider, the notion that they would ever shut down the world's channels for commerce. People say it will never happen, but in reality I think we need to be prepared for that. You aren't dismissive of that, but in reality we need to provide the capabilities for you to match them or overmatch them.

I do want to ask one last question. Continuing discussion within the Navy in terms of the vulnerability of Littoral Combat Ship, where do we stand on that? I know we have some issues here of upgrading, sort of taking a look at new designs and so forth. Where do we stand on that?

Mr. MABUS. Last year, about this time, Secretary Hagel directed Navy to look at a more lethal, more survivable, but continue to be affordable small combatant Littoral Combat Ship. We set up a task force to do that. We made it very transparent. People from this committee's staff, people from the Hill, people from our testing organization, people from the Office of the Secretary of Defense were taken through the process.

And I think the process was as exhaustive and as thorough as any process we could have done. They looked at more than 14,000 designs, modifications, this sort of thing, and came up with a more lethal, more survivable, and continuing to be affordable, about an additional \$75 million a ship, that brings capabilities that the fleet said it needed, an over-the-horizon missile that will be organic to the ship, a Towed Array Sonar for countersubmarines.

And the direction was to look at—we have a need for 52 of these—was to look at the last 20. We will start building those 20 starting in 2019, and all these modifications will go into those ships. The hull won't be modified, so you can do this within the existing ships. Our plan now is we are doing the engineering work, we are doing the technical work, we are hopeful that we can bring up, in advance of 2019, the upgrades to these ships.

And the reason that I renamed them frigates, is you look at what frigates are supposed to do and you look at what these ships do and they are frigates. The last thing is, because it is a modification and not a new design, not a new hull, you can go back and modify any of the first ships that were built if you feel a need to do that.

Mr. FRELINGHUYSEN. The committee continues to have an interest in this issue, and certainly we are highly respectful of the industrial base that produces the models. But the whole issue of survivability is tied to capability and force structure in a rapidly changing world, and I am sure you will stay on top of it.

Mr. Visclosky.

LITTORAL COMBAT SHIP TESTING

Mr. VISCLOSKY. Thank you, Mr. Chairman.

I would like to follow up on the chairman's question about the Littoral Combat Ship. I appreciate the Navy has completed its re-

view and that there would be modifications, but I also understand that the director of operational test and evaluation has gone on record and stated that the proposed modifications to the LCS designs do not satisfy significant elements of survivability.

He apparently has stated that the LCS is not expected to be survivable in high-intensity combat because its design requirements accept the risk that the ship must be abandoned under circumstances that would not require such an action on other surface combatants. Did you have a reaction to that observation?

Mr. MABUS. Sure. Number one, Operational Test and Evaluation were in the room during this process. They were in the room when the decision was made as to what to do.

Number two, I think it is important to remember that this is a small surface combatant. You expect it to do different things than you do from a large surface combatant or from other types of ships. You can make it, you can make any ship more survivable. As the task force looked at it, as you went down the more lethality or more survivable pathway, it became a destroyer, it became a \$2 billion ship, which is not the mission. The CNO said we have got \$2 billion destroyers out chasing pirates right now. A \$500 million LCS or FF now can do that and do that much better.

In a high-intensity conflict, we are not going to be sending these ships out by themselves. They are going to be part of a much larger structure, a much larger strike group, and they will benefit from all the lethality and all the protection from that entire strike group.

Mr. VISCLOSKEY. Mr. Chairman, if I could, two more questions.

RUSSIAN NAVAL CAPABILITY

Admiral, people are concerned about Russia in Eastern Europe. What about the Russian Navy?

Admiral GREENERT. The Russian Navy is spending a good sum of money, billions of dollars to recapitalize their submarine building and in their surface building capability. They have invested in submarines and they are producing a new class of cruise missile submarine and SSBN, which makes sense, that has been their mantra for some time, their strategy.

In this decade, unlikely they will have dramatic improvement, based on where they are going right now, in their surface fleet. However, if they continue on the path they are on, and I am talking about investment and shipbuilding, I would say next decade they will have some substantial improvement in frigate-like, 2,300, 2,500 tons, and destroyer-like capability. So they are definitely modernizing.

Air, I haven't seen much recently. They are operating more, they have kind of gas money, but not as modern.

AMPHIBIOUS COMBAT VEHICLE

Mr. VISCLOSKEY. One last question, if I could, Mr. Chairman.

General, there is research the Marine Corps is undertaking as far as the Amphibious Combat Vehicle. Given how marines are placed in situations of danger or in combat—I think of the evacuations in Somalia, I think of Iraq, Afghanistan—looking ahead, just as far as the tactics and strategies the Marine Corps is looking at

considering, what is that balance and relationship between amphibious landing craft and the difficulty in designing one that meets your requirements and airlift?

General DUNFORD. Thanks, Congressman. We have got a plan right now that really addresses our tactical mobility across the range of military operations. We require two marine expeditionary brigades to come from the sea and conduct amphibious assault, and so our program will account for that. We also have other vehicles that account for the protection and the land mobility that are necessary for a wide range of other operations.

So I think the simple answer to your question, Congressman, is that we have got balance in our ground tactical vehicle program.

Mr. VISCLOSKY. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. I would like to thank all the members for their attendance and questions.

And, gentlemen, thank you very much for being with us.

The committee is adjourned until 9 a.m. tomorrow, when we will conduct a hearing on the budget of the United States Air Force. We stand adjourned. Thank you very much.

[CLERK'S NOTE.—Questions submitted by Mr. Aderholt and the answers thereto follow:]

JOINT HIGH SPEED VEHICLE

Question. In recent testimony both CNO and SECNAV have been supporters of the Joint High Speed Vessel, yet the budget request does not increase the number. Does the Navy plan to request more in future budgets? What is the likelihood of the JHSV being included in DoD's Unfunded Priorities List?

Answer. The Navy's 2014 update to the 2012 Force Structure Assessment re-validated the requirement for Joint High Speed Vessels (JHSV) at ten ships. The Navy did not request any additional JHSVs in the FY 2016 President's Budget because the battle force inventory will already reach ten ships in FY 2018 and 11 ships in FY 2019, thanks to the additional JHSV that Congress included in the FY 2015 Appropriations Act. JHSVs were not included in DoD's FY 2016 Unfunded Priorities List

SWO TRAINING PROGRAM

Question. What oversight is there of the surface warfare officer (SWO) training program?

Answer. There is extensive oversight of the Surface Warfare Officer (SWO) training program beginning at the fleet level where the SWO training program is administered by Commander, Naval Surface Forces (CNSF) through the chain of command to the Commanding Officers of every U.S. Navy surface ship. The Commanding Officers are responsible for application of the SWO training program within their commands and for developing and managing a command training program to facilitate the SWO qualification process within the overall ship's personnel training program. These Commanding Officers are charged with the mentoring and training of their Officers, and they themselves are mentored and observed by their Immediate Superiors in Command (ISIC).

The CNSF SWO training program requires all Surface Warfare trainees to attain SWO qualification within the first 22 months of shipboard service. Every ship develops a training plan for each individual Officer for his or her professional development. The ship's Training Officer, Senior Watch Officer and Commanding Officer closely monitor their progress. Every Junior Officer is assigned to under instruction watches rotating through all the required watch stations under the supervision of qualified SWO's to develop watchstanding proficiency and learn the required skills. They are also provided opportunities to conduct daily and special evolutions until they demonstrate competency in these skills in preparation for SWO qualification. Additional time is made available and cross deck opportunities are arranged when extenuating circumstances with the ship's operating schedule or personal hardship preclude an Officer from completing the watchstanding prerequisites within the 22 month requirement.

Question. What percentage of SWOs recommended for non-attainment by their commanding Officers are subsequently approved (for non-attainment) by Commander, Naval Surface Forces, and what type of reviews are conducted at each level of the approval process to ensure that the Officer does not in fact have the ability to qualify?

Answer. The Surface Warfare Officer Qualification program provides every Junior Officer with a fair and standardized process to qualify as a Surface Warfare Officer with greater than a 96% success rate. All positively endorsed non-attainment recommendations have been approved by CNSF. Statistics for disapproval in the review process below CNSF are not maintained. However, there are many cases where the ship's Immediate Superior in Command (ISIC) has facilitated cross-decking struggling Junior Officers for evaluation to other ships with different Commanding Officers to ensure impartiality in the process.

When a Junior Officer is recommended by their Commanding Officer for SWO non-attainment, the report is reviewed and endorsed by the ISIC for an 0-6 and/or Flag level review prior to forwarding to CNSF for final adjudication. The Officer recommended for non-attainment is afforded the opportunity to comment on the Commanding Officer's recommendation as an attachment to the report. The ISIC review verifies the Officer recommended for non-attainment was afforded a fair opportunity to qualify and provided adequate support and mentorship by their command.

Question. How have those numbers and that process changed over the past several years? This part of my question was ignored last year, and I again request an answer. Please investigate.

Answer. Over the past three years, Commander, Naval Surface Forces annually approved an average of thirty-one SWO non-attainment packages per year from an average accession year group of 864 SWO Junior Officers. In 2012 there were 36 non-attains falling to 28 in 2014. There has been no change to the SWO non-attainment approval process, but there has been a significant change in the preparation of all SWO Junior Officers for success through the recently implemented eight week Basic Division Officer Course (BDOC) at the beginning of their initial sea tours. This course imparts baseline understanding of core SWO skills in all Division Officer fundamentals, damage control, seamanship, navigation, shiphandling, engineering, maritime warfare, anti-terrorism and force protection, and leadership.

COMMAND CLIMATE

Question. If an officer or sailor on a ship believes he or she was the victim of a dishonest afloat commanding officer, what checks and balances exist in the Navy, and what recourse does he or she have?

Answer. If an officer or Sailor believes they are a victim of a dishonest Commanding Officer, they may elevate the issue above their chain of command by filing a formal grievance, such as a Complaint of Wrongs Against the Commanding Officer (Article 138), a Complaint of Wrongs Against a Superior Outside your Chain of Command (Article 1150), or an Equal Opportunity (EO) complaint, depending on the circumstance. Service members who feel they have been reprised against by a superior in their chain of command may also file a Military Whistleblower complaint with the Department of Defense Inspector General or the Naval Inspector General.

However, we encourage personnel to attempt to resolve complaints at the lowest possible level and use command channels available within the command. There are many resources within the command to help resolve a vast number of issues, such as the legal staff, chaplain, human resource personnel, equal opportunity advisor, and immediate supervisors.

NAVY INSPECTOR GENERAL

Question. I am told that there is a shortage of Navy Inspector General investigators, particularly in the field offices. How many investigators does each field office employ, and how many complaints does each field office receive annually?

Answer. The Office of the Naval Inspector General (NAVINSGEN), Department of Navy (DON) level, employs 24 and Echelon II/III/IV employs 175 full time investigators to handle approximately 4,000 Hotline contacts annually.

Workload: The 4,000 annual Hotline contacts fall into General, Military Whistleblowers or Reprisals, and Congressional contacts. A Course of Action (COA) is determined for each contact (Assistance, Discard or Dismiss, Investigate, Refer, or Transfer). Current statistics show that most contacts end up being assistance cases (e.g. pay, allowance, medical, etc.) and the least number of contacts end up as investigations. For those contacts that end up in investigations, most (32%) end up not substantiated and only 23% end up substantiated. Current time to complete an Assist-

ance contact is 14 days, a Discard/Dismiss contact is 18 days, an investigation is 417 Days, and a Refer or Transfer is 26 Days.

Manpower: In addition to DON investigative workload, NAVINSGEN utilizes its investigative staff to administer the DON Hotline Program and to serve as the designated Defense Hotline Component Coordinator for the Department of Defense (DoD) Inspector General Hotline Program. NAVINSGEN tasks many of the contacts to 32 Echelon II commands. The number of contacts and investigations handled by Echelon II and subordinate commands (Echelon III/IV) varies widely depending on command size. Small commands may have none over the course of a year; where large commands (e.g. Fleets) may have over 1000 contacts per year and over 100 issues requiring investigation per year. It is important to point out that these are not field offices, rather Echelon II/III/IV investigators report directly to their Commanders. Echelon II command IG offices have from one investigator to eight investigators depending on the size of their Area of Responsibility.

Question. What are you doing to ensure that there are sufficient investigators for every complaint to be able to receive due process?

Answer. In 2012, the Office of the Naval Inspector General increased its Headquarters staff by 13 investigators, but must continue to rely heavily on Command Inspector General resources to administer the DON Hotline Program and to provide due process to every investigative matter. In addition to increasing the number of investigative personnel, the Office of the Naval Inspector General has taken steps to increase the efficiency and effectiveness of existing personnel resources. To this end, the Office of the Naval Inspector General recently established a separate Training and Certification Division. This division will provide the Navy Inspectors General community-wide integration of training, leadership development, and individual training with the intent of improving DON Hotline investigation timelines and quality.

[CLERK'S NOTE.—End of questions submitted by Mr. Aderholt. Questions submitted by Mr. Visclosky and the answers thereto follow:]

USS HALSEY

Question. In July 2014, former crewmembers of the USS HALSEY (DOG 97) brought to Ranking Member Visclosky's attention the high incidence of suicide and related behavior on the ship. In subsequent meetings and correspondence, the Navy confirmed two recent suicides by crewmembers of the HALSEY—April 30, 2014, and June 27, 2014. Further, the Navy provided Mr. Visclosky with details on the "postvention" programs that had executed in support of the crew of the USS HALSEY.

Admiral Greenert, could you please provide the Committee with an update on the USS HALSEY? Have there been any additional incidents of suicide-related behavior since Ranking Member Visclosky's meeting with the Vice-CNO, Admiral Michelle Howard, in July 2014?

Answer. There have been 6 people out of a crew of 315 (<2%) who exhibited suicide-related behavior aboard USS HALSEY since July 2014; this is consistent with the Navy average for a ship on deployment. There was one in each of the months of September, November, December 2014, and January, February, and March in 2015 Each has been a unique circumstance, most related to stressors extant prior to checking aboard HALSEY.

Question. Is the Navy still dedicating additional resources to the crew of the USS HALSEY? If so, how long will these additional resources be made available? If not, please explain the decision to withdraw the additional support.

Answer. From 7 July 14 to 5 February 2015 (during HALSEY's deployment) significant additional resources were given to USS HALSEY to include the Navy Unit Behavioral Health Assessment Survey (NUBHNAS), a Special Psychiatric Response Intervention Team (SPRINT), Region Suicide Prevention Coordinator and regular Chaplain support to include classes and individual counseling (not normally available to DDGs), access to USS GEORGE WASHINGTON (CVN 73) Medical Department for two months, training and assessment by a Fleet Master Chief Petty Officer, visits and assessments by several Flag Officers and four visits by operational/administrative Chain of Command Navy Captains.

During their end of deployment transition, USS HALSEY had both the DESTROYER SQUADRON (CDS) Chaplain and a Clinical Psychologist from the Military Family Support Center (MFFC) ride the ship for three weeks (normally ships only have 9 days for this visit); during this time more than two-thirds of the crew

attended classes, and all who sought assistance received individual counseling to help ease their transition back to shore-side life with their families.

Now that USS HALSEY has returned from deployment, the crew has the breadth of shore-based resources available to them to include support from CDS and Regional Chaplains, Suicide Prevention Coordinator (SPC), and specialists at Makalapa Clinic and Tripler Hospital. The Commanding Officer has remained in contact with the SPRINT doctor and the NUBHNAS doctor for consultation and advice on how best to minister to special needs of her crew. HALSEY's Command Triad (CO, XO, Command Master Chief) and Independent Duty Corpsman (IDC) are particularly sensitive to these cases and situations and they keep in close contact with USS HALSEY's families, Oahu's military mental health assets, and they make a wealth of information available and regularly emphasize to their crew the importance of mental health, seeking help, and looking out for their Shipmates.

An additional resource recommended to the crew, but unable due to operational commitments was the Navy's Afloat Cultural Workshop. They currently are working to schedule this for the first three weeks in May.

Question. Did the assessment of the command climate of the ship identify any additional measures that are warranted to deal with the high rate of suicides?

Answer. Several command climate assessments have yielded progressively more positive results for the majority of the crew. Over the course of the past eight months, morale has appreciably increased with mission accomplishment and a sense of purpose and in many respects the crew is a family-like atmosphere with stressors being manageable. Those Sailors whose stressors were not manageable were removed from the ship to receive a higher level of care.

The initial assessment one month after the second suicide identified severe stress and anxiety for a larger than normal number of Sailors onboard. That was what led to the SPRINT team employment and an increased number of esprit de corps initiatives, morale building activities, and other activities to build unit cohesion. The assessments conducted at the three, five, six and seven month point of deployment showed progressively more positive results with respect to anxiety, stress, and the ability of Sailors and their chain of command to manage such stressors and anxiety.

There have been a handful of Sailors who have come forward with exceptional circumstances and situations in which they have been unable to cope (as referenced in earlier question about suicide-related behavior). They have been given the attention and care they need to include being transferred to a limited duty status.

The command will continue to foster a culture of wellness and bystander intervention as well as conduct regular training and self-assessment (as noted by the May workshop scheduled) and remain plugged in to shore-based resources offered by the Medical community, Chaplain Community and Military Family Support Center.

SUICIDE PREVENTION

Question. In written testimony before the Subcommittee in 2013, Admiral Greenert wrote that the Navy had 123 programs addressing suicide and resiliency and planned to review those efforts. In 2014, Secretary Mabus and Admiral Greenert, in response to an inquiry requesting an update on the large number of suicide prevention and resiliency programs in the Navy, you both noted the creation of the 21st Century Sailor and Marine initiative. The description of that initiative from its website states, "The majority of the programs and policies under 21st Century Sailor and Marine are not new, but rather are now being grouped together in order to prepare our Sailors, Marines and families with the tools to face all challenges."

Can you explain to the Committee how the 21st Century Sailor and Marine initiative increased the efficiency of the Department of the Navy's resiliency programs? Specifically, we are interested in how the Navy and Marine Corps reviewed the 123 established suicide prevention and resiliency programs? What was kept, modified, let go, or expanded?

Answer. The Department of the Navy (DON) remains focused on preventing suicide among service members. We are committed to leveraging effective resources to build resilience in our Sailors and Marines. The 21st Century Sailor and Marine (CSM) initiative is a set of objectives and policies integrated across a spectrum of wellness. The five key areas (readiness, safety, physical fitness, inclusion, and continuum of service) include multiple programs consolidated under one umbrella for building the resilience of the force.

In January 2013, the Navy convened Task Force Resilient, which included a comprehensive review of suicide prevention and resilience programs, and exploration of factors impacting resilience. The review resulted in the establishment of the 21st

Century Sailor Office to focus on creating and maintaining more coordinated and streamlined efforts in resilience programs to support Sailors and their families.

The stand-up of the Navy's 21st Century Sailor Office has had the desired effect—better coordination and integration of resilience efforts. In the past year, Navy instituted an integrated communications plan, expanded Operational Stress Control Mobile Training Teams, developed Bystander Intervention to the Fleet training, and placed Deployed Resilience Counselors on aircraft carriers and large deck amphibious ships. In addition, the office is developing a Resilience Management System, to automate the collection and reporting of all destructive behaviors and resilience program data for a common operational picture. Navy is also reviewing its Total Sailor Fitness curriculum to develop a comprehensive curriculum. Navy's vision is a tightly integrated and effective portfolio of programs delivered with training scenarios tailored to where that Sailor is in his or her career.

While a commensurate review of resilience programs has not been conducted, the Marine Corps has already adopted a holistic approach to addressing resilience. An example of an integrated program is the Marine Total Fitness program, which represents an institutional commitment to sustaining a ready and resilient force by focusing on fitness across four areas—mind, body, spirit, and social. The Alcohol Prevention Program is collaborating with Sexual Assault Prevention and Response (SAPR) to create effective prevention messaging in response to the correlation between alcohol and sexual assault. Additionally, when a Marine is referred to a Substance Abuse Counseling Center (SACC), he or she is screened for risk of suicide and intimate partner violence, as well as mental health and co-occurring disorders. Finally, the Marine Corps has implemented MAPIT, an integrated training approach for behavioral health programs, which is intended to improve the total fitness of all Marines.

Question. As the 21st Century Sailor and Marine initiative enters its third year of existence, will it continue to evaluate each of the programs and policies under its purview? Should we expect additional reductions in the number of programs? If so, are there any impediments to making these reductions that the Committee should be aware of?

Answer. While the Department plans to continue to evaluate the efficiency and effectiveness of programs, there is no specific formal review process identified. The overall goal is to implement integrated, evidence-based behavioral health programs, which may result in efficiencies through consolidation. In some cases, there are programs that exist due to mandate, and cannot be further scoped down.

Question. In Calendar Year (CY) 2014, there were 53 active component and 15 reserve component suicides in US Navy. In CY 2013, there were 41 active component and 5 reserve component suicides in US Navy.

In 2014, the number of suicides in the Navy's active and reserve components increased. Understanding that it takes time to thoroughly investigate the causes of each incident, but the tripling of suicides in the Navy reserve component from 2013 to 2014 is most concerning. What mental health resources are currently available to Navy reservists? Will additional resources be directed to the reserve component this calendar year?

Answer. The Navy Reserve remains very concerned about the increase in suicides in 2014. Even one suicide is too many. The Navy continues to raise awareness regarding the combination of indicators most common to suicide-prone individuals such as post-traumatic stress, relationship problems, legal and financial problems, periods of transition and mental health issues.

Because there is no single solution to successful suicide prevention, the Navy Reserve relies on a command-led effort that leverages a comprehensive array of outreach and education elements to ensure our Sailors have the resources necessary to not only deal with the challenges unique to service in the Navy Reserves—but also to assist their Shipmates when necessary.

We have launched several key initiatives including: (1) mandatory Operational Stress Control (OSC) skills training for units within six months of deployment, (2) new guidance for Navy unit commanders and health professionals to reduce access to lethal instruments under certain conditions, (3) an interactive, scenario-based suicide prevention training tool, (4) an OSC curriculum specific to our Reserve Sailors, and (5) specialized Chaplain Corps professional development training on suicide prevention. Our Sailors continue to learn about the bystander intervention tool known as "A.C.T." (Ask–Care–Treat). We also invest in the resilience of our people to help them deal with any challenge.

There are a number of mental health care and support resources available through which Navy leadership, Reserve Sailors and their families may assess and address signs and symptoms of suicide. The following is a summary of mental health resources available to Reserve Sailors:

Navy Reserve Psychological Health Outreach Program (PHOP): Established in 2008, these teams are distributed regionally at each of the 6 Navy Reserve Component Command headquarters. PHOP teams are comprised of licensed mental health providers that offer outreach to Reserve Sailors and support Reserve commands. They provide mental health screening, Suicide Prevention training, and facilitate connections with effective resources and follow-up support for Sailors with mental health needs. PHOP team members conduct regular site visits for deployment preparation and family events, and can assist with crises as needed. They also conduct resiliency check-ins (RCI), a non-stigmatizing screening of all Reserve Sailors. A Reserve Sailor can access a PHOP counselor at any time—24/7/365. Additionally, command leadership can request PHOP team members engage specific at-risk individual Sailors, and can request on-site PHOP support during events that impact the mental health of their community, such as natural disasters.

Military One Source, Suicide Prevention Lifeline, and All Military and Veterans' Crisis Lines: Phone numbers to these confidential help lines are widely advertised on a variety of materials provided at the Navy Operational Support Center or group events, posted on the Navy Reserve website, and highlighted in publications such as *The Navy Reservist*, on a variety of social media sites, and on multiple other media platforms.

TRICARE: Reserve Sailors and their families have the same TRICARE coverage as the Active Component during mobilization, which includes mental health assessment and treatment services. When not mobilized, Reserve Sailors may elect to enroll in TRICARE RESERVE SELECT, which provides coverage similar to TRICARE.

Veterans Administration (VA) and Military Treatment Facilities (MTFs): Reserve Sailors who are in their post-deployment period or on active duty orders greater than 30 days can access support via the VA or MTFs.

Fleet and Family Support Centers (FFSCs): All Reserve Sailors are able to access support services offered by FFSCs which are located on all major Navy installations.

Behavioral Health Integration Program (BHIP): Mental health professionals are being integrated in primary care settings to improve access and outcomes through the BHIP. Reserve Sailors who are in their post-deployment period or on active duty orders greater than 30 days can access behavioral health services via primary care providers at the VA or MTF.

Navy Reserve Chaplains: A Reserve Sailor can access this confidential resource available 24/7 for Reserve Sailors and families.

Question. In CY 2014, there were 35 active component and 11 reserve component suicides in Marine Corps. In CY 2013, there were 45 active component and 11 reserve component suicides in Marine Corps. In CY 2013, the USMC had a suicide rate of 23.1 suicides per 100,000 service members; the Navy's rate in CY 2013 was 13.4.

In recent years, the active component of the Marine Corps has unfortunately had a greater rate of suicide than the US Navy. Has the creation of the 21st Century Sailor and Marine initiative allowed the Corps to make improvements to its resiliency and operational stress control programs?

Answer. The number of active component Marine Corps suicides has been on the decline, down 22% from 2012 to 2014. Though only two months of data are currently available for 2015, Marine Corps suicides are down 60% compared to the same two month period in 2014. There is not one specific cause for changes in the number of suicides. There is a complex, dynamic relationship among the many variables that lead up to suicide. The Navy and Marine Corps continue to target reduction of known risk factors for suicide and to enhance protective factors that may prevent suicide.

The 21st Century Sailor and Marine initiative supports Marine Corps prevention programs directly, indirectly, and through a strong conceptual foundation. All Marine Corps efforts to make Marines more resilient, manage operational stress, enhance safety, fitness, and readiness are fully congruent with 21st Century Sailor and Marine values. While maintaining consonance with 21st Century Sailor and Marine, the Marine Corps also develops distinct prevention programs and policy to identify programs that will be most effective for the Marine Corps culture. Our programs are supported by research; evidence based practices, data collection, surveillance, and accepted standards of program evaluation.

[CLERK'S NOTE.—End of questions submitted by Mr. Visclosky. Questions submitted by Mr. Israel and the answers thereto follow:]

BASE SECURITY IN IRAQ

[Classified response—provided separately]

Question. Please describe the mission of the U.S. Marines currently stationed in Iraq? Does this budget include everything you need to accomplish that mission?

Answer. — — —

Question. How does this budget reflect the need to protect our forces who are forward deployed, and specifically those involved in counter-ISIL operations?

Answer. — — —

Question. Please comment on the recent incident whereby militants penetrated the outer perimeter of the Ain al-Asad airbase. Specifically, I'd like to know what you are doing to bolster security around this base in order to ensure another breach does not occur.

Answer. — — —

P-8A

Question. The Fiscal Year 2016 budget indicates an increase in the number of P-8A antisubmarine warfare aircraft that the Navy wants to procure. This is a change from last year's budget request. Can you explain this change and why it is important to purchase the P-8As at the rate that the Navy is this year?

Answer. The request for sixteen (16) P-8A aircraft in the President's Budget request for Fiscal Year 2016 returns the Navy's P-3C to P-8A transition plan to the optimal procurement profile required to complete the transition in the minimal amount of time, at the least cost and warfighting risk.

The P-8A optimum transition plan is based on a steady procurement profile of 16 aircraft per year in FY-14/15/16. Buying aircraft at this rate enables the government to gain significant savings in "per unit" cost pricing under the Full Rate Production (FRP) schedule. It prevents future transition and warfighting gaps and returns the fleet to planned fatigue life utilization rates. This request also enables the prime contractor (Boeing) and its sub-contractors to execute and maintain steady state production schedules and to achieve other manufacturing efficiencies, which all translate to lower overall costs to the Navy.

[CLERK'S NOTE.—End of questions submitted by Mr. Israel. Questions submitted by Mr. Ryan and the answers thereto follow:]

SHIP LIGHTING

Question. You have previously stated that just by changing the lighting on ships to LED's, 3% of total energy on ships can be saved. It is my understanding that to date, almost 13% of the Navy fleet has converted to tubular-LED (T-LED) lighting, which has been successful and yielded cost savings. In this regard, can you please advise on the Navy's efforts to bring T-LED lighting to shore on bases?

Answer. The Navy believes strongly in the potential for new technologies, including LED lighting, to improve lighting quality and reduce energy and maintenance costs on our shore bases. In order to enable our adoption of these technologies as quickly as possible, we have expanded our use of Energy Savings Performance Contracts (ESPC). These contracts allow contractors to identify and install, where appropriate, technologies that provide energy savings and also share in those savings. We expect LED's to be widely evaluated and used in these contracts. We also intend to work with industry to address any technical issues relating to the compatibility of existing fixtures with T-LEDs. We hope that engagement will enable us to more broadly and quickly adopt the technology.

Question. Given the significant cost savings and energy efficient benefits that can be realized from tubular-LED (T-LED) technology, as exhibited by its successful adoption onboard Navy ships, would you agree that this warrants the Navy to consider revising the Unified Facilities Criteria (UFC) to allow for the option of T-LED technology on bases?

Answer. The existing Unified Facilities Criteria (UFC) supports the installation of T-LED systems in new construction. The UFC also supports the replacement of existing lighting systems with T-LED systems (full fixture and tube replacement). In the case of retrofitting non-LED fixtures with T-LED bulbs, we intend to work with industry to address any technical issues relating to the compatibility of existing fixtures with T-LEDs. We hope that engagement will enable us to more broadly and quickly adopt the technology.

[CLERK'S NOTE.—End of questions submitted by Mr. Ryan. Questions submitted by Mr. Ruppertsberger and the answers thereto follow.]

UCAS-D

Question. The X-47B Unmanned Combat Air System Carrier Demonstrator (UCAS-D) program has accomplished a number of historic firsts for Naval aviation—including the first unmanned catapult launch and the first arrested landing on an aircraft carrier. The Navy has invested well over \$1.5 billion in this program. However, now, despite the fact that there is considerable life left in both planes, the Fiscal Year 2016 budget zero funds the program. Considering the uncertainty with the Unmanned Carrier Launched Airborne Surveillance Strike (UCLASS), wouldn't the nation be better served by continuing to utilize UCAS-D to inform future programs and reduce risks rather than retiring these state of the art planes?

Answer. All risk reduction activities within the scope of the \$1.47B program with these air vehicles have been completed to the fullest extent possible. Over the past two years, the Navy has extensively reviewed all UCAS-D continuation options and concluded there are no viable, cost effective solutions for continued UCLASS risk mitigation. We have conveyed this to OSD AT&L and both OSD and the Navy are in alignment with this conclusion.

The X-47B is strictly a demonstrator air vehicle, with no operational utility. As a demonstrator, the X-47B implemented a different technical architecture from UCLASS, which will be the first operational sea-based capability for the Navy. The X-47B has a different control station, landing system, data link, and network interface. The X-47B has no sensors such as an EO/IR turret and no weapons carriage or release capability. As such, using the X-47B for further UCLASS risk reduction would provide limited return on investment, as many hardware and software modifications would be required to convert the X-47B to a UCLASS representative architecture.

[CLERK'S NOTE.—End of questions submitted by Mr. Ruppertsberger.]

FRIDAY, FEBRUARY 27, 2015.

FISCAL YEAR 2016 AIR FORCE BUDGET OVERVIEW

WITNESSES

HON. DEBORAH LEE JAMES, SECRETARY, UNITED STATES AIR FORCE
GENERAL MARK A. WELSH III, CHIEF OF STAFF, UNITED STATES AIR FORCE

OPENING STATEMENT OF CHAIRMAN FRELINGHUYSEN

Mr. FRELINGHUYSEN. Good morning. The committee will come to order. This morning the subcommittee continues a series of defense posture and budget hearings with our military services, our combatant commands and other major components of the Armed Forces. Our hearing this morning focuses on the Air Force budget request for fiscal year 2016.

It is my honor to welcome back to the subcommittee the Honorable Deborah Lee James, Secretary of the Air Force. Welcome back, Madam Secretary. And General Mark Welsh, III, chief of staff of the Air Force. Welcome back, General.

General WELSH. Thank you, sir.

Mr. FRELINGHUYSEN. Welcome to you both and thank you for your leadership and service to our great Nation, and our thanks to all the men and women that you represent, both in uniform and civilian.

The Air Force budget request this year reflects a determined commitment to modernization. There are several key investments in the future fleet of fighters and bombers, the nuclear enterprise and other important missions, from the KC-46 tanker to the combat rescue helicopter. At the same time, this budget seeks to recover readiness in the wake of recent budget turbulence and reverse years of decline in end strength. Unfortunately, the variable that will have the biggest impact on your budget next year and for years to come is not part of your request. The subcommittee has heard me say this before and yesterday morning, and I will say it again, that unless there is some dramatic legislative change, the law of the land will require the Appropriations Committee to mark up bills this year to the level dictated by the Budget Control Act, aka, the BCA.

In the case of the Air Force, the President's base budget request is roughly \$10 billion above the funding level projected under the BCA, as projected under the law. So I need to say right up front that we will all need to work extremely closely together to ensure that funding appropriated for the Department is sufficient to take care of our airmen and maintain your readiness at the highest possible level.

As we build our fiscal year 2016 bill, we would like to have your input. And make no mistake, and as I said yesterday morning, we

do have to cut \$10 billion with you or we will cut \$10 billion without you, but we need to do it. I must also mention the budget makes some decisions that many in Congress will resist, and you know this well as a former A-10 pilot, General Welsh, that there will be a resistance on many in Congress to divest the A-10. I understand that the defense appropriations bill is a zero sum product and every money saving proposal Congress declines will have to be made up elsewhere, taking money from some other priority. Throughout the process, our committee is committed to ensuring that the decisions we have to make are fully informed by the best advice our military leadership can provide, and we will continue to call on you to give your most frank assessment of how living at the BCA levels over time might affect our national security and how that would have to be managed. And on a personal level, I certainly, and I think most members are very interested and, hopefully, in the course of questions your frank assessment of the defense posture of both China and Russia that relate to air matters.

Again, I welcome you both. Your written testimony will be entered into the record, and we look forward to a dynamic and informative discussion this morning. And happy to yield to Mr. Visclosky for any comments that he may wish to make.

OPENING COMMENTS OF MR. VISCLOSKY

Mr. VISCLOSKY. Thank you very much, Mr. Chairman. Appreciate you holding the hearing. And, Secretary General, appreciate your service, appreciate your hard work and enthusiasm for those under your command and direction, and look forward to your testimony. The chairman alluded to the budgetary situation we face, and I would point out that there were a number of issues last year that I congratulate the chairman for having the intestinal fortitude to suggest to the broader membership of the House of Representatives, while people look at the defense budget and think there is an infinite amount of dollars, there is a finite cap, and we have to prioritize. The chairman did, but the broader body still believes we can be all things to all people. Hopefully people become a bit more enlightened as we proceed and understand that you, as well as we, have to make some very difficult prioritization decisions, but again, look forward to your testimony.

Thank you very much, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Visclosky.

And Secretary James, good morning, welcome.

SUMMARY STATEMENT OF SECRETARY JAMES

Ms. JAMES. Good morning, Mr. Chairman and Ranking Member Visclosky, and to all of the members of the committee. It is certainly my honor and privilege to come before you this morning. It is also my honor and privilege to be able to sit with this gentleman to my left and your right, General Mark Welsh, who I have gotten to know so well over the last year or so. Just a phenomenal Airman and a leader and a great partner for me. So thank you for having us here.

Mr. FRELINGHUYSEN. Madam Secretary, could you move the mike a little bit closer? I am not sure that is picking up there. Thank you. Excuse me.

Ms. JAMES. Mr. Chairman, when I testified before all of you last year as a brand new Secretary of the Air Force, I outlined my three priorities, and just to review them with you is, number one, taking care of our people; number two, balancing and getting the right balance between readiness of today and modernization for tomorrow; and number three, making every dollar count, and that is to say, we get it in the United States Air Force that we have to treat the taxpayer money as precious, we can't afford to waste a single dollar of it, certainly not in these tough budgetary times, and so we are working hard to make every dollar count.

That was then, and those three priorities have not changed, but what has changed for me personally is I have now had 14 months in the seat and I am way smarter and way more experienced than I was 14 months ago, and I have also traveled extensively across the country and to a number of locations around the world, 60 bases in 28 states and territories as well as 12 foreign countries.

And what I want to tell you is that in each of these visits, I talked to our leaders on scene and I listened very, very hard to our rank and file Airmen and I asked them a lot of questions about people issues, about readiness issues. I looked at the aircraft, the platforms. And I want to summarize some of my key takeaways from the last 14 months.

First of all, today, we are the smallest Air Force that we have been since our inception in 1947. I was in government in the 1990s, and when I look back at the size of the Air Force in the 1990s, which to me was a less complicated period of time than the time we have today, it is stunning the amount we have come down in terms of manpower. This has happened at a time when demand for our services is at an all-time high.

Furthermore, we have the oldest Air Force in terms of our platforms since our inception in 1947. The average age of our aircraft is about 27 years old, but there are many fleets that are substantially older than that. And here is, to me, the most pressing issue of all: More than half of our combat air forces, half, are not sufficiently ready for a high-end fight, that means a fight where we would have interference, people trying to shoot us down, people trying to interfere with us in space and in the air.

Yet as we sit here this morning, I want you to know our Airmen are providing two-thirds of America's nuclear arsenal, performing intelligence surveillance and reconnaissance, strike missions in Iraq and Syria in the fight against ISIL, we are flying mobility missions in the Pacific, we are reassuring our European allies, and guarding the homeland, all at the same time, and all of these missions are very critical and they are performing admirably. But my key takeaway from the last year is we are a force under strain, and we are working hard to meet the combatant commanders' most urgent needs, but a budget trajectory that results in sequestration, Mr. Chairman, simply will not allow us to sustain this pace.

So if we must—and I listened very carefully to what you said. If we must live under sequestration, I am here to tell you, I fear we are either going to break or we absolutely will not be able to exe-

cute the defense strategic guidance that has been laid out for us. We cannot do it under sequestration. Now, we have said many times over the last couple of years that sequestration is damaging to our national security, and so, as you know, rather than living with that level, we are proposing in our budget figures that are higher than what sequestration level would allow us. Specifically for the Air Force, it is about \$10 billion more than what sequestration-level funding would give us. And I am, again, here to tell you as passionately as I can that that \$10 billion represents the difference between an Air Force which is much closer to what the combatant commanders need and what our Nation expects and the ability to do our strategy than we would have under sequestration, and it also recognizes just how important the Air Force is to every joint operation around the world.

Now, even if we get that \$10 billion more, I don't want to tell you that that solves every ill and solves every problem, because it does not. This increase provides both the forces needed to meet our most pressing needs for the combatant commanders, and it also allows us to fulfill those top three priorities I told you about in the beginning.

Now, let me talk briefly about each of the three. People, taking care of people. Listening to our Airmen over the last 14 months, there is no question in my mind the number one issue on their minds has been the downsizing. And given the state of the world, given everything I just told you, General Welsh and I agree, the number one thing is we have to stop this downsizing. Enough is enough. And, in fact, we need to upsize a little bit, modestly, both Active, Guard and Reserve, to a total end strength of 492,000. This would allow us to redirect some people to the nuclear enterprise, increase our cyber mission teams, plug some holes, such as maintenance, that we have across the entire Air Force, which are so very, very important. And part of that, as I said, will be for the Guard and Reserve, to buy back some capability and increase our reliance. By the way, we will be reporting to Congress on March 4, just a few days from now, on our efforts to fully address the Commission's report, the National Commission on the Future Structure of the Air Force.

Also in the people rank, I want you to know we are expanding services to include our sexual assault prevention and response program. So we are upping the training, switching the training out, we are expanding our SVC program, Special Victims Council, and we are providing full-time Sexual Assault Response Coordinators (SARCs) in the National Guard community. Currently they are only part-timers. We also have support for childcare, fitness centers, educational benefits, and 1.3 percent pay raise for all. So that is some of what we are doing to take care of our people.

Second priority is getting the balance between readiness today and modernization for tomorrow's fight. And as I said, very important, because only about half of our combat air forces are fully ready for that high-end fight. Therefore, our proposal will fully fund flying hours to the maximum executable level. We will invest properly in weapon systems sustainment and ensure that our combat exercises, like the Red Flag and the Green Flag programs, remain strong.

I want you to know General Welsh, in particular, myself as well but not as much as he, we consulted closely with the combatant commanders as we put together this budget. So it reflects more than just our best military judgment; it reflects theirs as well. And so part of this budget and part of this \$10 billion extra will allow us to support their most urgent needs, which I can tell you is Intelligence, Surveillance, and Reconnaissance (ISR), ISR, ISR, and that is 60 steady state ISR patrols as well as extending the life of the U-2 and the Airborne Warning and Control System (AWACS) program. So, again, just a little bit about how we are meeting their most urgent needs.

We also need to support vital space programs, strengthen the nuclear enterprise by adding funding to our Intercontinental Ballistic Missile (ICBM) readiness and a number of other areas. So that is the readiness of today.

For modernization, very important that we continue to place nuclear now at number one when it comes to modernization, so we are developing the follow-on to the Minuteman III ICBM as part of our 5-year plan and accelerating the long-range standoff weapon by 2 years. We have got additional investments for cyber, ISR, preferred munitions and space as well. And of course, we have our top three programs, the KC-46, the F-35, and the long-range strike bomber. All of these will remain on track with our budget profile as we have presented it to you.

My third priority, make every dollar count. Again, we don't want to waste a single dollar, and so we are doing a number of things. We are driving steadily toward auditability of our books in the United States Air Force and in the military at large. We took an aggressive 20 percent reduction in our headquarters funding, which includes civilians, contractors, and redirecting military personnel. We didn't have to do it in 1 year, but we did, because we could get the savings more quickly. Keeping those top programs on track and looking for cost savings is part of our program as well, maximizing energy savings. We have got a whole list of initiatives in this area.

So all of this is the good of the budget, but not so good, because, as I told you, even under our figures. It doesn't solve all the issues, you already named it, Mr. Chairman and Mr. Visclosky, we are, once again, proposing with reluctance, but nonetheless, the retirement of the A-10 aircraft over time. We are also proposing to slow the growth in military compensation, and we ask all of you once again if you would please consider a new round of base realignment and closure (BRAC). And we realize none of these are popular, they are all difficult, there are difficult circumstances, we get that, but if sequestration remains the law of the land, it is going to be way, way, way worse. As I said, we won't be able to do the defense strategy. Something simply has to give.

So here are some of the things. We have talked about this before, and I realize all of this is highly unpopular, but if we had to live with sequestration, we would have to divest our KC-10 refueling fleet. We would have to reduce some of our total force flying hours, our weapons system sustainment, ranges, simulators, all the types of things we need to get readier, to get that 50 percent to higher levels of readiness for the high-end fight. We would have to reduce F-35 procurements by 14 in fiscal year 2016. The adaptive engine

program, which holds great promise for fuel efficiencies and the future of engines for the United States Air Force, would be cancelled. And our program for ISR would also suffer. So a lot of that good I just told you about, we would have to cancel Global Hawk Block 40, the U-2 would have to go, AWACS reductions, fewer of those combat air patrols.

So sequestration, bottom line, it threatens everything, and I am just certain in this country we can do better than this. And I know the difficulties, but I certainly hope that we will.

In conclusion, I want all members of this committee to know, and the American people who may be listening today, that your United States Air Force is still the best on the planet, but we mustn't take that for granted, because we are a force under strain, as I just said, and we mustn't let our edge slip away. So, Mr. Chairman, with all of the difficulties, I ask all of you to please consider hang in there and try to make the case for us that sequestration needs to be lifted, lifted permanently, lifted across the whole of government. I am no expert in the domestic agencies, but the Department of State, and the Department of Homeland Security are key partners for us in national and Homeland Security. It would be very difficult on them as well. So, again, I thank you, sir, and I would now yield to General Welsh.

Mr. FRELINGHUYSEN. General Welsh, the floor is yours.

SUMMARY STATEMENT OF GENERAL WELSH

General WELSH. Thank you, Mr. Chairman, Ranking Member Visclosky, and members of the committee. It is always an honor to be here with you, and it is a pleasure and an honor to sit here beside Secretary James, who, as you can tell, has become a very passionate advocate for our Air Force and Airmen.

My pride in our Air Force and the Airmen who give it life hasn't changed since the last time I testified to you, but my level of concern has. We wrote the blueprint in this country for the world's greatest Air Force and we know what it looks like, and other nations have been watching and they are now trying to follow the model. The capability gap that separates our Air Force from others is narrowing, and as it does, the asymmetric advantage that air power provides the United States military is shrinking.

We must modernize our Air Force. We want to work with you to do so. We know it won't be easy and it will require accepting prudent operational risk in some mission areas for a period of time, but the option of not modernizing isn't really an option at all. Air forces that fall behind the technology curve fail, and joint forces without the full breadth of airspace and cyber power that modern air power brings to the battle space will lose.

When we deployed to Operation Desert Storm in 1990, our Air Force had 188 fighter squadrons in the inventory. This budget will take us to 49. There were 511,000 active duty Airmen during Operation Desert Storm. We have 200,000 fewer today. And as those numbers came down, the operational deployments and tempo went up steadily.

The Air Force is fully engaged, and now more than ever, we need a capable and fully ready force. And we can't continue to cut force structure to pay for the cost of that readiness and modernization,

or we risk being too small to succeed. Our smaller aircraft fleet is also older than it has ever been. In 1991, it would have been ludicrous for us to talk to you about considering using World War II's venerable B-17 bomber to strike targets in Baghdad during the first Gulf War, but if we had used it, it would have been younger than the B-52, the KC-135 and the U-2 are today. We currently have 12 fleets of aircraft, entire fleets of aircraft that qualify for antique license plates in the State of Virginia, and we have four fleets of aircraft that could very happily enroll in American Association of Retired Persons (AARP) today.

If we remain at Budget Control Act (BCA) funding levels, the Air Force will no longer be able to execute the strategic guidance. It is pretty straightforward. Our short-term readiness recovery will stall, our long-term infrastructure investment will remain a dream, we will be forced to recommend the dramatic fleet reductions that the boss recommended, and modernization will be further delayed, allowing our adversaries to further close that capability gap. You understand it is an ugly picture, we just want to make sure it is clear.

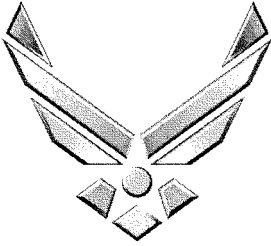
We understand that we must be part of the Nation's solution to the debt problem and we are ready to do that, but we do need your help in some areas so that we can be ready for today's fight and still be able to win in 2025 and beyond. Our Airmen deserve that, our joint team needs it, and I believe the Nation still expects it.

I would like to take this opportunity to extend my personal thanks to each of you for your persistent support for our Air Force, for Airmen and their families, and we would be happy to answer your questions.

Mr. FRELINGHUYSEN. Thank you, General.

[The joint statement of Secretary James and General Welsh follows:]

United States Air Force



Presentation

Before the House Appropriations
Subcommittee on Defense

Fiscal Year 2016 Air Force Posture

Witness Statement of
The Honorable Ms. Deborah Lee James,
Secretary of the Air Force

General Mark A. Welsh III, USAF
Chief of Staff

February 27, 2015

Fiscal Year 2016 Air Force Posture Statement
February 25, 2015

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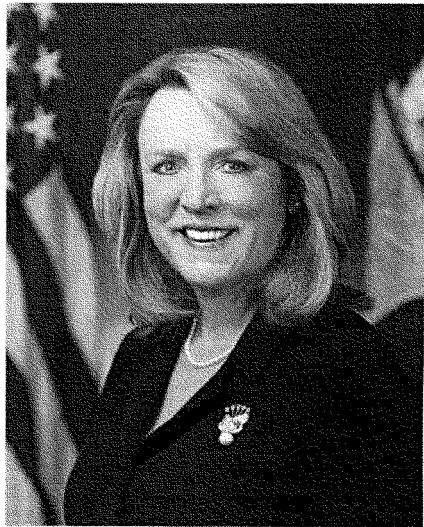


UNITED STATES AIR FORCE

DEBORAH LEE JAMES

Deborah Lee James is the Secretary of the Air Force, Washington, D.C. She is the 23rd Secretary of the Air Force and is responsible for the affairs of the Department of the Air Force, including the organizing, training, equipping and providing for the welfare of its more than 690,000 active duty, Guard, Reserve and civilian Airmen and their families. She also oversees the Air Force's annual budget of more than \$110 billion.

Ms. James has 30 years of senior homeland and national security experience in the federal government and the private sector. Prior to her current position, Ms. James served as President of Science Applications International Corporation's Technical and Engineering Sector, where she was responsible for 8,700 employees and more than \$2 billion in revenue.



For nearly a decade, Ms. James held a variety of positions with SAIC to include Senior Vice President and Director of Homeland Security. From 2000 to 2001, she was Executive Vice President and Chief Operating Officer at Business Executives for National Security, and from 1998 to 2000 she was Vice President of International Operations and Marketing at United Technologies.

During the Clinton Administration, from 1993 to 1998, Ms. James served in the Pentagon as the Assistant Secretary of Defense for Reserve Affairs. In that position, she was the Secretary of

February 25, 2015

Defense's senior advisor on all matters pertaining to the 1.8 million National Guard and Reserve personnel worldwide. In addition to working extensively with Congress, state governors, the business community, military associations, and international officials on National Guard and Reserve component issues, she oversaw a \$10 billion budget and supervised a 100-plus-person staff. Prior to her Senate confirmation in 1993, she served as an assistant to the Assistant Secretary of Defense for Legislative Affairs.

From 1983 to 1993, she worked as a professional staff member on the House Armed Services Committee, where she served as a senior advisor to the Military Personnel and Compensation Subcommittee, the NATO Burden Sharing Panel, and the Chairman's Member Services team.

Ms. James earned a Bachelor of Arts degree in comparative area studies from Duke University and a master's degree in international affairs from Columbia University School of International and Public Affairs.

EDUCATION

1979 Bachelor of Arts degree in comparative area studies, Duke University, Durham, N.C.

1981 Master's degree in international affairs, Columbia University, N.Y.

CAREER CHRONOLOGY

1. 1983 - 1993, Professional Staff Member, Armed Services Committee, U.S. House of Representatives, Washington, D.C.
2. 1993 - 1998, Assistant Secretary of Defense for Reserve Affairs, Office of the Secretary of Defense, Washington, D.C.
3. 1999 - 2000, Vice President of International Operations and Marketing, United Technologies, Washington, D.C.
4. 2000 - 2001, Executive Vice President and Chief Operating Officer, Business Executives for National Security, Washington, D.C.
5. 2002 - 2013, Senior Vice President and Director for Homeland Security; Senior Vice President, C4IT Business Unit General Manager; Executive Vice President, Communications and Government Affairs; President, Technical and Engineering Sector, Science Applications International Corporation, McLean, Va.
6. 2013 - present, Secretary of the Air Force, Washington, D.C.

(Current as of December 2013)

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BIOGRAPHY

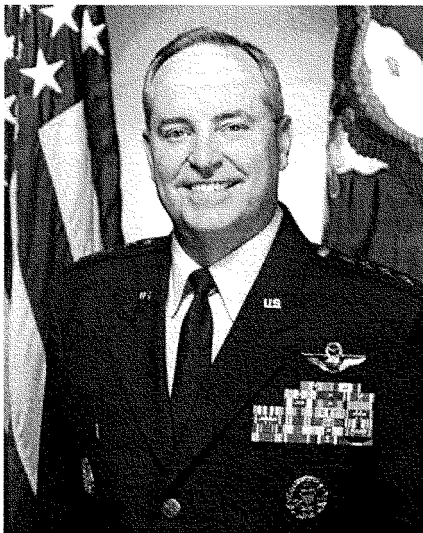


UNITED STATES AIR FORCE

GENERAL MARK A. WELSH III

Gen. Mark A. Welsh III is Chief of Staff of the U.S. Air Force, Washington, D.C. As Chief, he serves as the senior uniformed Air Force officer responsible for the organization, training and equipping of 690,000 active-duty, Guard, Reserve and civilian forces serving in the United States and overseas. As a member of the Joint Chiefs of Staff, the general and other service chiefs function as military advisers to the Secretary of Defense, National Security Council and the President.

General Welsh was born in San Antonio, Texas. He entered the Air Force in June 1976 as a graduate of the U.S. Air Force Academy. He has been assigned to numerous operational, command and staff positions. Prior to his current position, he was Commander, U.S. Air Forces in Europe.



EDUCATION

1976 Bachelor of Science degree, U.S. Air Force Academy, Colorado Springs, Colo.
 1984 Squadron Officer School, by correspondence
 1986 Air Command and Staff College, by correspondence
 1987 Master of Science degree in computer resource management, Webster University
 1988 Army Command and General Staff College, Fort Leavenworth, Kan.
 1990 Air War College, by correspondence
 1993 National War College, Fort Lesley J. McNair, Washington, D.C.

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1995 Fellow, Seminar XXI, Massachusetts Institute of Technology, Cambridge
 1998 Fellow, National Security Studies Program, Syracuse University and John Hopkins University, Syracuse, N.Y.
 1999 Fellow, Ukrainian Security Studies, John F. Kennedy School of Government, Harvard University, Cambridge, Mass.
 2002 The General Manager Program, Harvard Business School, Harvard University, Cambridge, Mass.
 2009 Fellow, Pinnacle Course, National Defense University, Fort Lesley J. McNair, Washington, D.C.
 2009 Leadership at the Peak, Center for Creative Leadership, Colorado Springs, Colo.

ASSIGNMENTS

1. August 1976 - July 1977, Student, undergraduate pilot training, Williams Air Force Base, Ariz.
2. July 1977- January 1981, T-37 Instructor Pilot and class commander, Williams AFB, Ariz.
3. January 1981 - May 1981, Student, fighter lead-in training, Holloman AFB, N.M.
4. May 1981 - August 1981, Student, A-10 training, Davis-Monthan AFB, Ariz.
5. August 1981 - May 1984, Instructor pilot, Flight Commander and wing standardization and evaluation Flight Examiner, 78th Tactical Fighter Squadron and 81st Tactical Fighter Wing, Royal Air Force Woodbridge, England
6. May 1984 - June 1987, Commander, Cadet Squadron 5, later, executive officer to the Commandant of Cadets, U.S. Air Force Academy, Colorado Springs, Colo.
7. June 1987 - June 1988, Student, Army Command and General Staff College, Fort Leavenworth, Kan.
8. June 1988 - October 1988, Student, F-16 conversion training, Luke AFB, Ariz.
9. October 1988 - July 1992, Operations Officer, 34th Tactical Fighter Squadron, later, Commander, 4th Tactical Fighter Squadron, Hill AFB, Utah
10. July 1992 - June 1993, Student, National War College, Fort Lesley J. McNair, Washington, D.C.
11. June 1993 - June 1995, Chief, Defense and Space Operations Division, Operations Directorate (J3), Joint Staff, the Pentagon, Washington, D.C.
12. June 1995 - April 1997, Commander, 347th Operations Group, Moody AFB, Ga.
13. April 1997 - June 1998, Commander, 8th Fighter Wing, Kunsan Air Base, South Korea
14. June 1998 - June 1999, Commander, College of Aerospace Doctrine, Research and Education, Maxwell AFB, Ala.
15. June 1999 - September 2001, Commandant of Cadets and Commander, 34th Training Wing, U.S. Air Force Academy, Colorado Springs, Colo.
16. September 2001 - April 2003, Director of Plans and Programs, Headquarters U.S. Air Forces in Europe, Ramstein Air Base, Germany
17. April 2003 - June 2005, Director of Global Power Programs, Office of the Assistant

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Secretary of the Air Force for Acquisition, Headquarters U.S. Air Force, Washington, D.C.

18. June 2005 - June 2007, Deputy Commander, Joint Functional Component Command for Intelligence, Surveillance and Reconnaissance, U.S. Strategic Command, Bolling AFB, Washington, D.C.

19. July 2007 - August 2008, Vice Commander, Air Education and Training Command, Randolph AFB, Texas

20. August 2008 - December 2010, Associate Director of the Central Intelligence Agency for Military Support/Associate Director for Military Affairs, Central Intelligence Agency, Washington, D.C.

21. December 2010 - July 2012, Commander, U.S. Air Forces in Europe; Commander, Air Component Command, Ramstein Air Base, Germany; and Director, Joint Air Power Competency Center, Ramstein Air Base, Germany

22. August 2012 - present, Chief of Staff, Headquarters U.S. Air Force, Washington, D.C.

SUMMARY OF JOINT ASSIGNMENTS

1. June 1993 - June 1995, Chief, Defense and Space Operations Division, Operations Directorate (J3), Joint Staff, the Pentagon, Washington, D.C., as a lieutenant colonel and a colonel

2. June 2005 - June 2007, Deputy Commander, Joint Functional Component Command for Intelligence, Surveillance and Reconnaissance, U.S. Strategic Command, Bolling AFB, Washington, D.C., as a major general

3. August 2008 - December 2010, Associate Director for Military Affairs, Central Intelligence Agency, Washington, D.C., as a major general and a lieutenant general

4. December 2010 - July 2012, Commander, U.S. Air Forces in Europe; Commander, Air Component Command, Ramstein Air Base; and Director, Joint Air Power Competency Center, Ramstein Air Base, Germany, as a general

FLIGHT INFORMATION

Rating: Command pilot

Flight hours: More than 3,300

Aircraft flown: F-16, A-10, T-37 and TG-7A

MAJOR AWARDS AND DECORATIONS

Defense Distinguished Service Medal with oak leaf cluster

Distinguished Service Medal with oak leaf cluster

Defense Superior Service Medal with oak leaf cluster

Legion of Merit with oak leaf cluster

Distinguished Flying Cross with oak leaf cluster

Meritorious Service Medal with two oak leaf clusters

Air Medal with oak leaf cluster

Aerial Achievement Medal

Fiscal Year 2016 Air Force Posture Statement

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Joint Service Commendation Medal
Air Force Commendation Medal

EFFECTIVE DATES OF PROMOTION

Second Lieutenant June 2, 1976
First Lieutenant June 2, 1978
Captain June 2, 1980
Major May 1, 1985
Lieutenant Colonel June 1, 1989
Colonel Feb. 1, 1994
Brigadier General Aug. 1, 2000
Major General Aug. 1, 2003
Lieutenant General Dec. 9, 2008
General Dec. 13, 2010

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I. Introduction

The United States Air Force is the most globally engaged air force on the planet. American Airmen are in constant defense of our national interests, whether dropping bombs, commanding satellites in space, delivering humanitarian relief, or protecting the homeland with an array of air, space, and cyberspace capabilities our forefathers could never have imagined. Airmen collaborate and train with allies – expanding and strengthening our collective capabilities – and guarantee the global freedom of movement and access that Americans have come to expect. Alongside its Sister Services, America's Air Force delivers our Nation the power, influence, agility, and global reach no other country currently possesses...no matter the effort, no matter the odds. Our Airmen are warfighters and they bring airpower to bear on behalf of America every day.

But 24 years of continual combat operations, coupled with constrained and unstable budgets, has taken its toll. America needs a force ready for a spectrum of operations more global and complex than ever before. Instead, a relentless operations tempo, with fewer resources to fund, coordinate, and execute training and exercises, has left a force proficient in only those portions of the mission necessary for current operations. This is not the Air Force America expects...but today, it is the Air Force America owns.

Today's Air Force is the smallest and oldest it has ever been, even while the demand for airpower continues to climb. There is no excess; there is no "bench" ...everything is committed. When called into action, today's Air Force cannot respond in one corner of the Earth without diluting its presence elsewhere. The blanket of American airpower covering the globe has thinned; in places, it is nearly threadbare. As we have cut our *capacity*, we have found our *capability* equally diminished – the two qualities are inextricably linked.

The Nation deserves an Air Force that can outmatch its most dangerous enemies at their peak of power – the most demanding warfighting scenario, not just the "low-end

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fight.” The President’s Budget (PB) takes a critical step toward recovering that Air Force, but make no mistake: even at PB levels, the Air Force remains stressed to do what the Nation asks of us. To truly reverse the erosion of American airpower requires sustained commitment, stability, and the decision-space to invest each taxpayer dollar where it can best deliver the most combat power.

Without bold leadership today – difficult decisions and a commitment to air, space, and cyberspace investment – America’s airpower advantage is increasingly at risk.

II. A Globally Engaged Force

At the Nation’s call, American Airmen leap to defend her interests. They respond at all hours, on any day, anywhere in the world, and they do it whether the requirement has been planned for or not. After all, enemies (and disasters) rarely strike when expected.

On the eve of 2014, the Nation – and the Air Force – planned for a relatively quiet year. We expected to draw down combat forces in Afghanistan, and have an opportunity to reset and reconstitute our forces.

Instead, the Ukraine and a resurgent Russia happened. Ebola happened. The Islamic State happened. Airmen flew 19,959 offensive sorties, releasing 8,249 weapons¹ in support of U.S. Central Command alone. Air Force tankers offloaded 172 million gallons of fuel to Joint and coalition air forces, and Airmen flew 79,445 airlift missions in operations on every continent.² We kept watch over our enemies, collecting and analyzing over 18 million images and 1.6 million hours of full motion video...and we evacuated 6,075 wounded Soldiers, Sailors, Airmen, Marines, and civilians from the battle space. Instead of slowing down, our force sped up.

The Air Force was equally busy at home, providing capability most Americans never have to think about. Airmen launched nine national security space missions –

¹ These include Close Air Support, Escort, and Interdiction sorties. Data from AFCENT Airpower Summary

² Tanker Airlift Control Center Office of Public Affairs

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bolstering GPS, weather, and Space Situational Awareness capabilities to benefit military and civilian users alike. They engaged with allies to build America's space partnerships; and worked to qualify potential new launch providers to increase competition, reduce costs, and assure American access to space in the future. And Airmen began the long, critical work of revitalizing two of the three legs of our Nation's nuclear triad, gathering over 300 recommendations from the field on how to improve Air Force nuclear culture...and then implemented those ideas, to the tune of \$50 million in fiscal year 2014 (FY14) and a planned \$154 million in FY15.

Airmen provide access, overwatch, protection, and staying power for American and coalition forces the world over. They degrade adversary capabilities, and re-affirm every day that America can project power anywhere in the world, at the time and place of our choosing. That power – that presence, at home and abroad – is among the strongest deterrents confronting the Nation's would-be enemies...and protecting our National interests.

III. Capacity and Capability: A Dual Problem

Americans have invested in airpower for well over 60 years to ensure the fight is never fair. But today – after many years of continual operations and a few fiscal upheavals – the Nation is at a crossroads, with a fundamental disconnect between its airpower expectations and its airpower capability.

There was a time when the Air Force could trade some capacity in order to retain capability. But we have reached the point where the two are inextricable; lose any more capacity, and the capability will cease to exist.

The Service's intelligence, surveillance, and reconnaissance (ISR) force is a sobering example of this critical nexus. In today's warfighting environment there is nearly infinite

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appetite for Air Force ISR³ – we simply do not have the capacity to fulfill it. To meet as much of the demand as possible, Airmen work 10- to 12-hour shifts on a “7-on, 1-off” pattern, flying over 900 hours a year – a rate that can accumulate a career’s worth of flying hours in a single assignment. These are combat shifts, physically, mentally, and emotionally taxing...and to get it done, they are sometimes diverted from training that allows them to improve, advance, and build a professional military career. When such Airmen are faced with the decision to separate or continue to serve, it is difficult to convince them that staying is in their best interests. We are losing them at a rate faster than we can replace them.

At some point, no level of effort will cover the capacity gap created by continual worldwide operations and dwindling, uncertain budgets. The capability itself will fail.

The fleet offers another case in point. Today’s Air Force is both the smallest and oldest it has ever been. Since Operation DESERT STORM in 1991, the Air Force cut its total aircraft inventory from 8,600 to 5,452. During that same time period, we cut Active, Guard, Reserve, and civilian Airmen from 946,000 to little more than 662,000 (just 313,000 on active duty). The average age of Air Force aircraft is 27 years, with many fleets substantially older.

The *newest* B-52 bomber is 53 years old. In at least one Air Force family, three generations of Airmen have piloted the Stratofortress, in combat engagements from Vietnam to ENDURING FREEDOM (see boxed text below).

³ A return to sequestration would result in 50 percent of the high-altitude ISR missions being flown today no longer being available. Commanders would lose 30 percent of their ability to collect intelligence and targeting data against moving vehicles on the battlefield.

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Three Generations of B-52 Airmen

Captain Daniel Welch graduated from the Air Force Academy in 2008, and began flying the B-52 in March of 2010. His father, Lieutenant Colonel Don Welch, was assigned to Guam in the early 1980s, a B-52 flight crew member during the Cold War. And Daniel's grandfather, Colonel Don Sprague, flew "the mighty B-52" in combat missions in Vietnam, earning the Distinguished Flying Cross for his service.

The B-52 that Daniel's grandfather flew was designed in the 1950s for its strategic strike capability, deterring direct aggression from our enemies. It was capable and it was credible. Under current recapitalization plans, the Air Force will try to keep this venerable airplane flying until at least 2040...that is enough years to let a fourth generation of the Sprague-Welch family grow, graduate, and fly the B-52 as well. But how capable, and by extension how credible, will a 90-year-old bomber be in the world 25 years from today?

The Nation broadly invested in capacity to cover the globe decades ago...but if we do not have capacity with the right capability to meet today's needs, what is perceived as credible capability is merely an illusion.

By automobile standards, 12 fleets of Air Force aircraft are authorized antique license plates in the state of Virginia. The Air Force can (and does) continue to patch these older platforms up and fly them in combat. But after extending their service life time and time again, each airframe reaches the point where it cannot be "patched up" anymore. It must be replaced or it fails.

With aging aircraft and stressed fleets, today's capacity, as small as it is, is something of an illusion. The numbers are there – barely – but the capability to command global influence is tenuous. What was, in earlier times, a blanket of airpower covering the globe, has been worn to mere threads.

IV. Policy and Purse Strings

The world continues to change at an unprecedented pace and operational requirements continue unabated. The demands for global engagement is challenging under any circumstance...but when combined with an uncertain budget environment, it drives the Air Force – indeed, all Services – to make incredibly difficult choices, pitting vital requirement against vital requirement.

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When budgets contract and budgetary policy is continually postponed, or written in a way that limits Service solutions to budget problems, decision-space shrinks, and already difficult budget choices become nearly impossible.

In FY12, when the Air Force originally forecast its requirements to meet the Defense Strategic Guidance, the Service planned an FY16 topline of \$134 billion. Today – as enacted in FY15, and so requested in the FY16 PB – that topline has decreased to \$122 billion. In aggregate, the loss across those five years is \$64 billion (see chart I below).

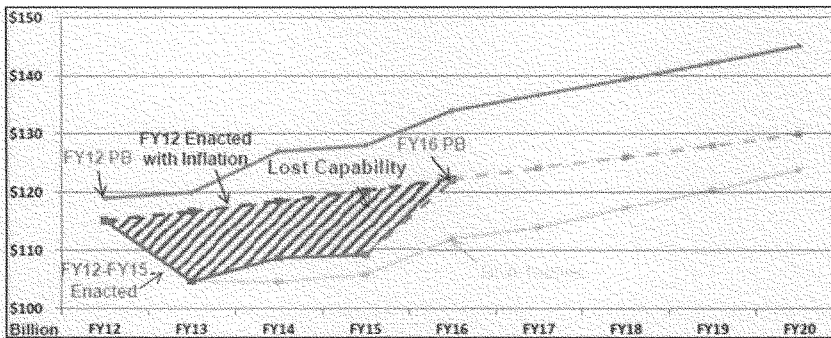


Chart I: Lost Capability

To put this into perspective, if the Air Force shut off all utilities – turned off the lights, the heating and air conditioning, the water supply – at all our major installations for 12 years⁴...or if it quit flying for 20 months – did not burn any jet fuel at all for nearly 2 years...it would save only \$12 billion. Enough to buy back one year of sequestered funds. Money matters; the lost capability is real; and the impact is going to be significant.

⁴ This number reflects the cost of *utilities only* at US Air Force installations – it does not reflect installations investments writ large (and thus does not portray in any way the savings which could be associated with base realignment and closure)

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In addition, both budget uncertainty and legislative programming restrictions have left the Air Force with very limited decision-space over the past three years. Tightly constrained on aircraft divestiture and denied Base Realignment and Closure, leaves the Service with only a few accounts to yield savings from quickly and cleanly, without violating “must pay” requirements: readiness, people, and modernization. From these the Air Force worked hard to identify the least catastrophic choices it could.

The Air Force took risk in infrastructure. Our investment in maintenance and repair – including restoration, modernization, sustainment, and new construction to recapitalize Air Force facilities and infrastructure – is just 1.9 percent of the Service’s plant replacement value. Private industry standard is between six and eight percent investment.⁵

Unable to cut airframes we believe we need to divest or to reduce excess base capacity; the Service has cut personnel – taking risk in human capital. Since 2001, even as the Nation fought in Afghanistan and Iraq, Air Force uniformed end-strength dropped by 44,000 Airmen.⁶ We simply cannot get any smaller or we risk being too small to succeed.

We have also been forced to cut into some of the programs that keep Airmen and airpower a step ahead of the enemy at all times. In 2013, for example, an entire Weapons School class – which produces the world’s best tactical and operational airpower experts – was cancelled.

Risk and tough choices are part of every business. The problem, for the Air Force, is that failure is never an option. Airmen will fix it, patch it, make do, and work until they drop to cover shortfalls. But asking it of them, year in and year out, risks unbearable strain on a force heavily engaged around the globe.

⁵ ...and National Research Council studies indicate that an investment between two and four percent of PRV is warranted to avoid risk of accelerated deterioration and infrastructure failure.

⁶ FY2011-FY2014 Active, Guard, and Reserve

V. Doing What We Can

Recognizing that budget uncertainty – and a need for fiscal restraint – may be here to stay, the Air Force has extended its institutional gaze out 30 years to synchronize budget and acquisition decisions with strategy. To guide this effort, in 2014 the Service published *America's Air Force: A Call to the Future*,⁷ a ground-breaking new strategic framework. This framework calls for strategic agility to confront the rapidly-changing global environment, and – in conjunction with the upcoming Air Force Strategic Master Plan – will provide guideposts and long-range resourcing vectors with which to make the difficult tradeoffs required in years to come.

In the more immediate-term, the Air Force has realized value through its “Every Dollar Counts” (EDC) campaign. At the heart of EDC is the Secretary of the Air Force’s challenge to every Airman to take ownership of the processes they touch and to look for better ways to do business. EDC initiatives run the gamut, from soliciting grassroots savings ideas to overhauling Air Force acquisition practices. Efforts within the campaign have reduced energy costs by approximately \$1 billion, and identified another \$1.3 billion in potential savings through Better Buying Power practices and the Air Force’s partner initiative, Bending the Cost Curve. We project another \$35.4 million in savings proposed by Airmen, and have found opportunities to save \$190 million over the next five years by analyzing War Readiness Engine requirements. The savings are already planned for reinvestment in readiness, as well as to modernize equipment and infrastructure.

Budgetary constraints also spurred the Air Force to re-evaluate the way it does business with its installations’ host communities, and seek alternatives to the status quo. The Air Force Community Partnerships Initiative makes unprecedented use of public-public and public-private (P4) partnerships, leveraging the existing resources and capabilities of installations, state and local communities, and commercial entities to achieve mutual value and benefit for all. There are now 47 installations in the Air Force

⁷ http://airman.dodlive.mil/files/2014/07/AF_30_Year_Strategy_2.pdf

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Partnership Program who identified more than 1,000 initiatives across the spectrum of installation services and mission support...and many of these initiatives are developing further with potential application Air Force-wide.

Additionally, the Air Force unequivocally relies on three strong components – Active, Guard, and Reserve – to sustain the force required to meet strategic uncertainty, fiscal constraint, and rapidly evolving threats head-on. The Air Force is absolutely committed to leveraging the distinct and complementary characteristics of its Total Force more effectively...and to do that, Airmen must be postured to operate cohesively and seamlessly as one team. Over the last year, dialogue with stakeholders provided valuable perspective – and mutual understanding – about the necessary size and shape of the future Air Force. The Service spent 2014 thoroughly analyzing 80 percent of its mission areas and platforms, taking a close look at component balance. Over the course of the next year, the Air Force will continue evaluating the remaining 20 percent of the mission areas...and continue ongoing work to break down organizational, policy, and cultural barriers to seamless operations.

The Air Force is a committed steward of America's resources, saving – or avoiding costs – to the tune of billions of dollars through the ingenuity of Airmen. Yet even those billions fall far short of making up the losses of the past three years. We need a stable funding profile, and support for the tough fiscal decisions required, if we are to meet the complex global challenges of the coming years.

VI. An Investment in Global Influence

America is an airpower nation; we have enjoyed unrivaled success in the air for the past 70 years. But future success is not a birthright, and air and space superiority is not an entitlement. It must be earned. Without it, American influence diminishes and the U.S. military will be forced to radically change how it goes to war. Americans will be put in danger, and our leaders' options will be markedly limited. Our adversaries know this and are taking steps to tip the balance in their favor.

We cannot let this happen. We must invest in the force required today *and* invest in the force we will need tomorrow.

The FY16 PB request is the result of difficult, purposeful, strategy-based resourcing decisions made to meet obligations set in the Defense Strategic Guidance. It aligns with Department of Defense and Air Force 30-year strategies; continues to regain ground in our ability to wage full-spectrum operations; maximizes the contributions of the Total Force; reinforces investments in nuclear deterrence and space control operations; emphasizes global, long-range and non-permissive capabilities; and focuses on unique capabilities the Air Force provides to the Joint fight. It funds our greatest asset – Airmen – by halting the active duty manpower drawdown and reinvesting pay and compensation savings in Airmen's quality-of-life programs. And it preserves the Air Force's top three acquisition priorities: F-35; KC-46; and the long-range strike bomber.

The FY16 PB request also reflects changes in the global landscape, buying back combat capabilities in areas where the Air Force accepted risk in the FY15 PB – the E-8, JSTARS, and F-15C. U-2 and E-3 AWACS divestment is re-phased to FY19, so we can continue to operate those platforms and meet combatant commanders' most urgent needs. And we've increased funding for the nuclear enterprise, space, cyber, ISR, and command and control improvements, investing in the Nation's strategic deterrence and high demand airpower assets.

This budget cannot stand alone – it must serve as a point of departure for future years' stable, committed investment in global airpower for America. A return to sequestration-level funding will devastate readiness and modernization; it will force the Air Force to depart from a long-term, strategic planning framework in favor of one that triages only those things absolutely required in the short-term. It will reverse incremental progress made over the past two years in the recovery from FY13's sequestration-level funding and will make it impossible to meet current operational requirements or execute the Defense Strategic Guidance. Under a sequestration-level budget, we will be forced to

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recommend divesting critical airpower capabilities – like the KC-10 and U-2 fleets. Overdue investments in the nuclear enterprise will be reduced and technologies vital to future capability and the American industrial base – like the promising Adaptive Engine Program – will be halted.

VII. Conclusion

The United States Air Force is the world's best. American Airmen are warfighters. The air, space, and cyberspace capabilities they bring to bear strike fear in the hearts of our enemies. If you are a threat, the Air Force can see you; it can reach you; and it can strike you. We must keep it that way.

As Airmen continue to support and defend America's interests around the globe – engaging in active combat and operational missions worldwide – the Nation must acknowledge the serious disconnect between the Air Force it expects, the Air Force it has today, and the Air Force it is funding for the future. Today's Air Force is the smallest and oldest it has ever been...and a high operational tempo, paired with a constrained and uncertain budget environment, only accelerates this trend. The Nation must invest in new technologies, in training, infrastructure, and personnel, if it intends to continue operating as a global superpower.

The FY16 PB request preserves the *minimum* requirement to meet current strategy. But even at the PB level, the Air Force remains stressed and shortfalls exist. Reversion to sequestration-level funding will carry great risk for American Airmen, and for America itself.

The Fiscal Year 2016 President's Budget request is an investment in a force we hope the Nation will never have to use. But if the turbulent – and largely unexpected – global developments of 2014 prove anything, they prove this: America's Air Force must be ready to engage anytime, anywhere, and across the full spectrum of warfare. America expects it, combatant commanders require it, and our Airmen deserve it.

Mr. FRELINGHUYSEN. We have a full house this morning, and not an antique among us here, with all the members and their keen interest in your budget in this process.

First line of questioning, Vice Chairman Granger.

AIR NATIONAL GUARD MODERNIZATION

Ms. GRANGER. Thank you both for being here and for your opening remarks. Before I ask my question, you know, I have been on this subcommittee for quite some time, and for years we have heard the military come in and they say, we will do it with what you give us, you know, we are professional, do it. So, Secretary James, to have you say, we cannot do it, really brings it home about how very, very serious this situation is, and I think everyone on this panel certainly understands that. I hope you are reaching out and trying to make others that don't serve on these panels and these subcommittees really understand what will happen if we continue this law.

My question has to do with the National Commission on the Structure of the Air Force has called for concurrent and proportional modernization across the Air Force; however, the Air National Guard continues to operate aircraft that are on average over 5 years older than those for the active duty squadrons. I am concerned this is slowly pushing the Guard toward a second tier status.

So, Secretary James, General Welsh, what is your plan to ensure that the Air National Guard is modernized so they can continue their significant contributions to both national and Homeland Security?

Ms. JAMES. So maybe I could start, Ms. Granger, and then the Chief can jump in. So I want to assure you that the Air National Guard and the Air Force Reserve for that matter are absolutely full partners and they are integral to everything that we do, and as we build our budget plans, they are right there at our side around the conference table and we are building these things together, which means as we introduce new aircraft into the inventory, and you are aware, I know, of the Joint Strike Fighter, the F-35 and the KC-46, as an example, we have agreed that as we roll out some to the active duty, some will be to the Reserve components as well, and, of course, we are making those basing decisions over time. So that is one example.

When I say they are at the table with us, of course, they are at the table with us for the difficult judgments as well. And so much of your question goes to at what pace do we modernize? And who gets what when? And so it is very much a balancing act, but I want to assure you that we are fully behind our National Guard and Reserve. And when you see our report, which will be rolled out on March 4, our response to the Commission, you know, blow by blow, each of their recommendations and what are we doing about it, you are going to see that huge agreement across the board. A lot of it comes down to money and pace.

General WELSH. Yes, ma'am. Just three quick things to add to that. First is that when we talk about squadron numbers, I mentioned we are going to 49 squadrons, every time the Air Force talks on number, it is total force. Those are Active Air National Guard

and Air Force Reserve forces. And so it is all included in one discussion all the time.

The big difference in fleet ages is based on the C-130 average fleet age. That is the big impact on this. The way we got here is instructive, I believe, because there really was no evil intent that created it. The active Air Force and the Guard and Reserve had C-130 E models for years. The Guard and the Reserve had the oldest E models in the fleet, so when the new H models appeared, we filled the Guard and Reserve units first to replace the oldest airplanes first. So for a period of time, the Guard had all the new C-130s. And then when the J models came along, we put those into the oldest squadrons, which are the active duty C-130 E model squadrons that were remaining, so the active duty got the newer J models. That is who we got to where we are, and we will continue this rotation to replace the oldest airplanes.

So, you know, all the State Adjutant Generals are meeting with the Commander of Air Mobility Command. If they have C-130s in their States or C-17s in their States or C-5s in their States, and all the Reserve wing commanders will have those things during the same meetings. The Commander of Air Combat Command has done the same thing by the combat air forces, the fighter and bomber fleets.

All the modernization we are planning is now being done collectively. Everyone is seeing the plan from the day we start it, and it is vetted. I vetted it with the TAGs last week again in their national get-together to make sure that everybody is connected, everybody has a voice, and we are not doing things on our own. We will continue to work this way.

F-35 JOINT STRIKE FIGHTER

Ms. GRANGER. Good. I had one other question. It has to do with the joint strike fighter. This is, of course, a very important year, and in your opening remarks you talked about the Air Force plan to reduce the buy from 44 to 30 under sequestration. And so I would ask you, what impact will that have on the cost of the F-35 and what would the longer-term impacts be on the program?

Ms. JAMES. So the most direct answer to your question is whenever you reduce your quantity, it ups the cost. I couldn't tell you maybe off the top of my head exactly how much, but at a time when the F-35 Joint Strike Fighter is just around the corner from being Initial Operational Capability (IOC), we are so close and we have been working so hard to make sure that the costs are trending down, it would be a shame to have it go in the opposite direction.

Now, what impact could that have on partners and so forth? One possible impact is if we reduce our buy because of tough budget, maybe they do the same, and that drives the cost up even more. So I think it is too early to tell, but, again, we don't want to do it. We want to keep that buy up.

Ms. GRANGER. Thank you. Thank you.

Mr. FRELINGHUYSEN. Thank you, Ms. Granger.

Ms. McCollum.

EXCESS INFRASTRUCTURE

Ms. MCCOLLUM. Thank you, Mr. Chair. And thank you to the ranking member as well for the ability to ask my question early in the sequence.

Madam Secretary, the gap between the President's budget and the Budget Control Act levels only grows larger if Congress rejects the cost savings proposal reforms in this budget. It makes no sense to me to cut funding for readiness and modernization so Congress can protect outdated weapons systems and excess facilities. In a briefing this week, which I appreciate the Air Force coming in and giving me, I was told almost 30 percent of the Air Force's facilities are excess to your mission. That is stunning. 30 percent. What is even more stunning is Congress continue to protect and pay for all these unnecessary facilities. There isn't a company in America that would carry 30 percent of their facilities as underutilized or non-productive and stay in business. And so you are constantly being asked, you know, where's your business model. We need to work with you in providing that business model.

Madam Secretary, so I am going to ask you to outline the Air Force cost saving proposals in this budget and what they achieve over the 5-year defense plan. We need to be making long, hard, tough choices.

And then the other thing is I am learning in the military budgets, you carry a large portion of your budget which is a pass-through, 20 percent of it almost in non-blue. So at sequestration levels and not putting this forward, does that even have a larger impact? Because if people are looking at the big number and thinking, oh, this is just an across-the-board cut, and I see the general shaking his head, this non-blue pass-through of 20 percent is even more important.

Mr. Chairman, I will submit a question for the record on sexual assault. Thank you for your kindness.

Mr. FRELINGHUYSEN. Madam Secretary, would you care to respond?

Ms. JAMES. Yes. So, Congresswoman McCollum, first of all on BRAC, I used to be one of those business people before I came back into government. And you are absolutely right, I was in one of those companies that would have never spent money on excess buildings or excess capacity. And the figure that you stated is about right. That is our latest capacity analysis, I would say. So, you know, we want to be able to move forward on the next round of base closures so that we can free up dollars to be able to plow back into other important areas. In BRAC 2005, according to my figures, as difficult as that was, and this is just for the Air Force, took us about \$3.7 billion of an investment to do those actions, and we are now saving about a billion dollars annually, and we project a billion dollars going forward. So as a former business person, that is a pretty good return on investment. So we do need the BRAC, and thank you for bringing that up.

We have a variety of cost savings, everything from regular program reviews over our major programs to make sure that we don't let those costs tick up, so keeping those costs under control. We have—I told you we are attacking headquarters reductions, which

are hard, because when you are talking about civilians or contractors or military people who are working at headquarters, those are important jobs too, but we are trying to redirect our military personnel, reduce civilians and contractors where we can, especially now.

I will say on the contractor side, we are holding what we call contractor court. So every contract now at a headquarters level, we are insisting that the major commanders come forward and literally justify, do you still need this, do you still not—can you do without it, and so forth, and we are finding savings there as well.

Energy, there are great opportunities for savings in energy. And the last one I will give you is something called Airmen Powered By Innovation. So this is putting the word out across the Air Force, you are on the flight line, you know your job better than we know your job. Come forward with some ideas, because we want to implement your ideas whenever possible to save money and to save time. And that is getting some traction and our airmen really like it, and we are picking up a lot of ideas.

As for the pass-through question on the non-blue and would that be subject to sequestration, I am not sure the answer to that. Do you know, Chief?

General WELSH. That would be subject to, I believe, the Congress and the other agencies who benefit from it, the National Reconnaissance Office (NRO), the Director of National Intelligence (DNI); it is mostly national intelligence program and NRO funding, a little bit of combatant command support money, but your point, ma'am, is perfect. If you look at the Air Force blue budget, just the Air Force budget that we spend on Air Force modernization, readiness, et cetera, we have had the lowest share by service percentage of the DOD budget since 1987. And it looks like we are equivalent to the others, but that flow-through has grown from 7 percent years ago in the early 1960s to 20 plus percent today. It is \$30 billion in the 2016 budget.

Ms. McCOLLUM. Thank you.

Mr. FRELINGHUYSEN. Thank you. Mr. Crenshaw.

ROCKET ENGINES

Mr. CRENSHAW. Thank you, Mr. Chairman. And welcome back to you all.

Let me ask you a question about rockets and satellites. You know, the Air Force depends on satellites. In fact, our national security pretty well depends on our ability to have satellites and I guess you could say that the economy as well, GPS, all those kind of things. And one of the things that this subcommittee has tried to do is certify more rockets and launches and to kind of broaden that base. And as I understand it now, we have basically got two rockets, we have got the Atlas 5 and the Delta 4, and those are the rockets that we use. And then I think everybody knows by now that the Atlas 5 rocket engine is made in Russia. I was surprised to learn that about a year ago, and then now that the Ukraine and all that business, it probably creates a little bit of a problem, a lot of negative issues about that.

And so I was one of the members that in 2014, 2015, we put, I think, \$45 million in 2014 and \$220 million in 2015 to try to help develop and certify some new rockets that had different engines.

And I guess my question is, Secretary James, has the Air Force continued to try to develop different rockets, et cetera, et cetera? I mean, how are we—what are we doing with that \$265 million?

Ms. JAMES. So the short answer is yes, absolutely, and we are trying to be as aggressive as we possibly can be about this. So as you pointed out, sir, the issue is we don't want to continue a reliance like this on a Russian-produced engine. So the question is how do we get off of that reliance as quickly as possible? And the appropriation that you all gave us is going to help us do that.

So as we speak, we are funding with those dollars what are called technology maturation and risk reduction initiatives. So stated another way, this really is rocket science, this is hard stuff, and so the beginning dollars out of that \$220 million are doing some research into how do we create materials that are strong enough to resist enormous temperatures and resist enormous pressures that are involved with space flight. So doing an engine for space flight is not like doing a jet engine for a jet aircraft, and certainly way beyond, what most of us know as Comprehensive Cost and Requirement System (CCAR), for example. So it really is tough science, and so technology maturation and risk reduction is step one.

We also will be using some of the money that you have already given us, and remember, we have budgeted money from here on out as well, to begin to fund several launch service providers to start developing actual engine alternatives. And what we want to do is we want to make sure that the alternatives that they start developing for us would ultimately be made available for other companies to buy. So this would have to be encompassed in, you know, a Request for Information (RFI), a Request for Proposal (RFP) and so forth, the documentation to put it out to industry. So that would be the next step. And, again, this will be over years that we are going to have to try to get this done.

As, you know, there is a law now that the National Defense Authorization Act (NDAA) from last year says that we can't use the RD-180, the Russian engine, for competitive launches beyond 2019 unless they were bought prior to the Russian invasion of the Crimea.

Mr. CRENSHAW. I was going to ask you about that. So that is congressionally mandated after 2019. Are we on track to be able to have something other than that?

Ms. JAMES. We are on track to be aggressive, but what the technical experts have said to me is because this truly is rocket science, this is hard problems, that is an extremely aggressive schedule and we may not make it. So we are going to try, but it is highly questionable. And that is not my opinion, that is the opinion of technical experts.

Mr. CRENSHAW. So in your opinion, we may not be able to, you know, kind of meet that deadline?

Ms. JAMES. It is questionable.

Mr. CRENSHAW. Okay. Thank you.

I yield back.

Mr. VISCLOSKY. Would the gentleman yield for one moment?

Mr. FRELINGHUYSEN. Yes. Mr. Visclosky.

Mr. VISCLOSKY. You have \$85 million in your budget request for 2016. And following up on the gentleman's line, understanding the difficulty in hitting 19, because you have technical issues to deal with, is 85 enough?

Ms. JAMES. Well, it is 85 in 2016, it is 295 if you add it all up over the 5-year Future Years Defense Plan (FYDP). And part of the program that we envision is a public-private partnership. So you say is 295 enough? The answer is probably not, but in public-private partnerships, private money comes into the equation as well. So, you know, we may have to adjust this as we learn more, but we thought that was a good starting point.

Mr. VISCLOSKY. Thank the gentleman for yielding.

Mr. FRELINGHUYSEN. Before going to Mr. Ryan, the Budget Control Act is a law too, and it mandated, and that is why it is important, and I think you have given us some help here, it is important to set some priorities here. These are all things—we certainly want to wean ourselves away from the Russians, but in reality, you know, every dollar does count. So I am appreciative of the fact of the second service that has come here for the public hearing, that you have sort of laid out a game plan of what you might do and what the consequences would be if we stick to the BCA, which that is the law.

Mr. Ryan.

ADDITIVE MANUFACTURING

Mr. RYAN. Thank you, Mr. Chairman.

Welcome. Thank you. I know you are obviously in a very tough spot here to try to meet the obligations that we have with the resources that you are getting, and hopefully we can get you more than I think we are on line to get you at this point.

First, I want to say thank you. We have a program that you helped us fund to the Air Force Research Lab and the American Makes, which is the Additive Manufacturing Institute in Youngstown, Ohio, in a partnership with the University of Dayton and Youngstown State University to help figure out how to 3D print parts for the Air Force. This is obviously a very cutting-edge program. And Ms. McCollum brought up capacity with our bricks and mortar, also with energy savings. I think this is a huge opportunity for us to save the taxpayer money, save your budget money, and help bring our country into a new wave of innovation and technological advancement that could spur whole new industries, like the Defense Department has done so many times over the course of its history.

So if you could talk a little bit about what your further plans are maybe in additive manufacturing to help with reducing costs and where the Air Force wants to go with that. If you could talk about that for a minute, and then I have just one quick follow-up question on readiness.

Ms. JAMES. So I would like to just begin, Congressman, by associating myself with everything you just said. I mean, we do think that there is great potential in this, we intend to keep with it. I

can't give you more full details at this point, but certainly could do so for the record.

[The information follows:]

The Air Force is helping lead advancements in additive manufacturing (AM) technology for aerospace and appreciates opportunities to work collaboratively with the other Services, agencies, and industry and academia. We appreciate congressional support for the Air Force's AM efforts. As cited by Mr. Ryan, the Air Force is partnering with America Makes, the National Additive Manufacturing Innovation Institute, and has several on-going and planned projects to accelerate the adoption of additive manufacturing and 3-D printing technologies in the United States manufacturing sector and to increase domestic manufacturing competitiveness.

AM can potentially decrease lead times and costs, enable complex geometries for improved performance, and reduce weight for Air Force air and ground systems leading to improved readiness, affordability, and energy efficiency. We are actively performing research, development, and implementation of a variety of classes of AM technologies, including both structural and functional applications. Current AM implementation paths include tooling, prototyping, low-volume production, reverse engineering, and repairs. As a specific example, we have a sustainment focused effort on identifying, baselining and transitioning AM best practices for the Air Force Air Logistics Complexes (ALC). We see this as an opportunity to shorten lead times and increase system availability by incorporating AM into ALC processes and procedures.

There are cost saving opportunities using additive manufacturing for part replacement, repair, and tooling. Our general approach is to first identify and evaluate candidate components that are cost and readiness drivers that lend themselves to AM processing, next build demo articles for comparison and identification of technical gaps in the AM process, and lastly develop the rest of the infrastructure, training, etc. needed for full implementation.

AM implementation is not straightforward and poses unique challenges for many Air Force applications. In almost every implementation path, some aspect of material, process, or component qualification is necessary to ensure that system requirements are met. Therefore, our implementation strategy is a staged approach, and will follow established and best practice systems engineering discipline and processes. Today, we are advancing the science and, at the same time, recommending implementation of AM for design iteration, prototyping, and tooling applications. Soon we will be applying AM for niche applications, including short-life and attritable parts. In longer term, we see success in challenging applications such as embedded electronics/sensors and aircraft structural components.

General WELSH. Congressman, let me give you—the most excited person I have met yet about the concept of 3D printing was an Air Force special operations aviator, who is responsible for maintenance in places, remote places on the African continent and the Southwest Pacific, places where we chase bad guys. His idea is printing spare parts for airplanes off a 3D printer. And he has already got the concept figured out, how they are going to do it, how much he thinks it will cost, what he will be able to not pack into the load-out that they carry, how much weight that will save, especially when they have to carry it from a location that where they can land a bigger airplane and then truck it into a smaller location.

This guy can't wait for this to be proven to the point where he can put one into some kind of big case and carry it in somewhere to use it and to fix airplanes that come in and meet him on the ground and then go do their mission.

This is an exciting technology, and technologies like this are the lifeblood of a service that is born from technology. We love this stuff.

READINESS AND TRAINING

Mr. RYAN. Great. Well, thank you.

And Mr. Chairman, I would love to take anybody from the committee who would like to vacation in Youngstown, Ohio, to come see what is happening in the additive manufacturing space in the country. If I could slide in a quick question on readiness. I know, General, you spoke to the point of squadrons and more related to the equipment. Can you talk a little bit about readiness with training, with regard to training, because I know when we were going through the whole sequestration debate, we were talking about airmen and airwomen not getting trained, going off-line for a certain amount of months and how that would kick in a full retraining that would need to happen? So where are we with regard to that issue with training of the men and women in the Air Force?

General WELSH. Congressman, we can't afford for what happened in 2013 to happen again. We can't ground 33 squadrons, we can't cancel Red Flags, we can't cancel weapons school classes where we develop our Ph.D. Warfighters, we can't do those things, so we will prioritize even at BCA, as much as we can, training.

The Balanced Budget Act over the last 2 years allowed us to focus on individual and unit readiness and begin to bring it up from a place where roughly 25 percent of our pilots and squadrons were fully combat capable, up to less than 50 percent, but approaching 50 percent now, because of the progress over the last 2 years.

If we remain at BCA, then that will stagnate. It won't collapse, because we prioritize it, but it will stagnate there, the climb won't continue.

We have a different readiness problem that is a longer term problem and gets to the training piece that you mentioned, and that is that over the last 10 to 15 years, we have prioritized investment and operational activity because of the demand signal we have had. And as a result, we haven't been investing steadily in those types of infrastructure that I will call mission critical infrastructure that produce combat capability over time: nuclear infrastructure, training ranges, test infrastructure, space launch infrastructure, satellite command and control architectures, and simulation infrastructure. We took money from flying hours because we were going to train more in simulators, and then didn't fund the simulators. That investment in infrastructure at BCA will continue to be a dream.

Mr. RYAN. And I know we are seeing it in Youngstown at the Air Reserve station in Youngstown. So I appreciate it, and let's figure out how to keep working together to make sure we don't have to deal with that any further.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Ryan.

Mr. Calvert.

ATLAS 5 AND DELTA 4

Mr. CALVERT. Thank, Mr. Chairman.

Madam Secretary, going back to Mr. Crenshaw's comments on launch, there are two certified launch vehicles in the ELVs, as was mentioned, an Atlas 5 and a Delta 4. On its own, Delta 4 can achieve, as I understand, 100 percent of DODs launch requirements and uses American propulsion systems, obviously made in

the great State of California, but you have also said confidently that the Falcon 9 vehicle will be—probably should be certified in the coming months.

So I would hope that with these two vehicles, there would be no loss of capacity for the United States and we can end our reliance on Russia, and be careful in the future about putting in the supply chain critical needs that may not work out so well in the future with countries that may not be such a reliable partner.

CIVILIAN WORKFORCE

But the main discussion I want to talk about here is that we are all having to make difficult decisions as we move forward to reduce costs. Being a business person such as yourself, I look at the Department of Defense, and I certainly recognize that we need to protect our depots and maintenance operations here in the United States, but I also believe that reducing civilian end strength at the Pentagon is vital to addressing some of the funding concerns that the Department is voicing. Right now our military continues to cut end strength, as being testified here from several folks, but support staff is yet to experience a corresponding reduction.

In 2003, there was one civilian supporting 2.25 active duty personnel. The current ratio is one civilian supporting 1.71 active duty personnel. If we reduce that to the historic average, that would save approximately \$82.5 billion every 5 years. And this is not an across-the-board cut; this is giving the Secretary discretion to make managerial determinations, DOD-wide, not making these across-the-board cuts and—but how do you feel about that? And are you making those types of decisions at the Pentagon presently?

Ms. JAMES. So, Congressman, I am not in favor of these across-the-board cuts. I am in favor—

Mr. CALVERT. I am not talking about across-the-board cuts.

Ms. JAMES. Okay. So let me just—I will give you my thoughts about our civilian workforce. So we have been paring back our civilian workforce since fiscal year 2012. I believe we are down about 24,000. All these statistics, it is always hard to keep track of. Your statistics are a little different from mine, but be that as it may, the workforce has gone up and down over time. Since I was last in government, as compared to where our civilians are today for the Air Force, we are down, by my calculation, upwards of 50,000. So—

Mr. CALVERT. Well, let me—if I can correct you, Madam Secretary. In 2003, there were 636,000 civilian employees; today there are 776,841. In 2003, there was 1,434,377 uniformed personnel; today it is down to 1,332,991. So civilian employees have gone up and military employees have gone down. That is a fact.

Ms. JAMES. From that baseline, that is a fact.

Mr. CALVERT. And if you look over since 2003, the number of civilian employees has consistently gone up every single year.

Ms. JAMES. That is a fact.

Mr. CALVERT. And the number of military personnel has gone down every single year.

Ms. JAMES. So, sir, you heard me say I think the downsizing on the military has gone far enough. So you heard me say we want to upsize that a bit. We are constantly scrutinizing our civilian workforce. We are going to continue to do so. 24,000 cut since the

baseline of fiscal year 2012. I mean, I heard all your baselines. I am just trying to give you progress here. But I do want to point out that upwards of 90 percent of our civilian personnel are not in Washington, D.C., they are not headquarters types. They are doing very important work around the country—

Mr. CALVERT. And I understand. Madam—

Ms. JAMES [continuing]. Part of depots and part of Reserve and so forth.

Mr. CALVERT. Madam Secretary, in 2012, you had 730,000 civilian employees; in 2014 it was 776,000 defense-wide. Now, I know the services are different than DOD-wide. I get that. You know, the marines that testified here yesterday have one civilian per every 10 military personnel. Now, every service is different. I don't know what the Air Force is. But we are talking about DOD-wide, giving discretion to managers to make managerial determinations and bringing this ratio back to historic averages. I don't understand the resistance to doing that through attrition and other managerial, you know, operations over a period of time.

General, do you have any comments?

General WELSH. Just one comment, sir. I don't think anybody would argue with your premise here. In the Air Force, we have actually cut 24,000 civilians over the last 3 years. We have also cut about 30,000 full-time contractor equivalents. We are doing—we are taking this very seriously.

We are looking for everywhere we can trim. Our civilian workforce is just under 180,000. About 74,000 of those are mainstream Air Force mission area folks. They are doing maintenance on Air Education and Training Command (AETC) flight lines, they are running financial management shops, they are running depots. And then there are a number of other people. The other 55 percent are covered by restrictions that we can't easily push aside. They are covered by working capital funds, requirements, they are covered by being Air National Guard technicians. They are people that we just can't cut. Some of them take some pretty involved action, including some requiring action from the Congress. So we will continue to work at where we can limit this growth and—

Mr. CALVERT. Let me mention that I have a bill that will do exactly that, so—thank you.

Mr. FRELINGHUYSEN. Well, one thing about Mr. Calvert, he has persisted on this issue. And as we look around and address issues of acquisition and procurement, I mean, we obviously hear from our defense industrial base. There are more green eye shades, more checks. And obviously we need to check every box, because we are not going to send anybody up into any sort of a plane without having made sure that every safety feature, but there is a general feeling here, and to some extent, I think it is worthy of our attention.

Ms. JAMES. And I think—

Mr. FRELINGHUYSEN. He certainly has brought it to your attention.

Ms. JAMES. Yes. And, Mr. Chairman, I think an awful lot of that, at least I believe an awful lot of that, is concerned with sort of headquarters staff, what we would call overhead in the private sector. And there is where we aggressively took a 20 percent reduction

in our funding in 1 year, not 5, so we are on the case when it comes to that.

Mr. FRELINGHUYSEN. And I know that Mr. Ruppertsberger is next, and I am sure he will weigh in on this subject.

Mr. RUPPERSBERGER. Well, I will change the subject.

Mr. FRELINGHUYSEN. Oh, good.

SEQUESTRATION

Mr. RUPPERSBERGER. I think the number one subject is sequestration, and I think we have to keep on focusing, because it is a system that is making us weaker as a country. I don't think the public are aware how serious this issue. And when you have the Air Force, we had the Navy yesterday, I am sure the Army will say that it makes us weaker. When yesterday we had testimony saying there will be a gamble of whether or not our military can protect us. I don't think anyone who was elected to Congress wants that, so it is important, I think, that we get the facts out to the American public, and I appreciate your candor in where we are.

CYBER WARFARE/ISLAMIC STATE

Just to follow up on that issue, I would like you to discuss the Air Force's ability to coordinate and assist with our allies and partners around the world, and what impact the sequestration would have on the Air Force ability to support our partner nations who are fighting ISIS and Operation Inherent Resolve.

Also the same question so we can move it quicker, the chairman would like that, cyber warfare is constantly changing and an evolving field. There is a—the 175th Network Warfare Squadron. I am not sure, where are they located?

General WELSH. Which number was that, sir? 170—

Mr. RUPPERSBERGER. 175th Network Warfare Squadron.

General WELSH. I don't know.

Mr. RUPPERSBERGER. They are at Fort Meade. Located in Fort Meade.

Mr. FRELINGHUYSEN. It is a—he is relating to his congressional district, General.

Mr. RUPPERSBERGER. I didn't say it. These cyber war—I finessed it. These cyber wars were engaged in active defense on finding threats before they find you. How would sequestration-level budget affect the Air Force ability to stay ahead of the curve on cyber warfare and continue to find these threats before they have an opportunity to strike? If you could answer those two questions on the cyber and also on the ability for us to work with our allies in dealing with the issue of ISIS and other terrorist threats.

General WELSH. Sir, on the fight against the Islamic State of Iraq and Syria (ISIS) issue, I don't think our ability to do that will be impacted. I believe the Congress will provide the funds required to continue the activity.

Mr. RUPPERSBERGER. Why do you think that?

General WELSH. Well, I am hoping that, and you have till—you have till now. I hope you wouldn't leave this in the middle of this activity.

Mr. RUPPERSBERGER. I would too, I am just asking the question.

General WELSH. And so my assumption is that activity will continue. And Overseas Contingency Operations (OCO) funding will probably be what drives the support we provide to that.

Now, the impact will be on our people, because what the rest of the Air Force will be dealing with when you talk about the cuts the Secretary mentioned, if we are at BCA cap levels, is that we are going to have a smaller Air Force in every mission area, so the people who deploy and rotate to support this activity will be doing so more often. That will just add more stress to the force over time and make the readiness problem and all the rest of the mission sets even more difficult.

On the cyber side, sir, the same thing. We will support the cyber activity no matter what level of funding we get this year. We will continue to be participants in the joint information environment development in supporting standup of the cyber mission teams that your squadron that you mentioned are part of. That will not slow down.

Mr. RUPPERSBERGER. You know, we had a session with a Member of Congress, former military in the Air Force, who said that because of the issues of sequestration, that squadrons really are brought home when they are rotating and told to sit for 6 months, which sets them back maybe a year to 6 months. Is that an example of what is going on?

General WELSH. I don't know of that happening today in the Air Force. In 2013, it certainly did happen.

Mr. RUPPERSBERGER. Okay. It was a statement that was made by one of our Members who was formerly in the Air Force.

And I just want to say this: I said yesterday that it is important, I think, for this committee, for the Armed Services Committee, for the Senate Armed Service and the Appropriations Committee that we know these threats, and you are telling them what this is. We are supposed to expertise in this oversight. And it is important, I think, that we all—and this is not a Republican or Democratic issue. This is an issue of the United States of America and the safety of our citizens. And I think it is important that we have to get the message out to our leadership on both sides of the aisle how serious this sequestration is, and not allow management, you know, through priorities versus across the board.

But I just want to point out today that Mac Thornberry, who is a good friend of mine, we served on Intelligence for 12 years, has just—is sending a budget to—sending his budget, the Armed Services budget, which will include \$577 billion for defense spending and would bust the sequestration cap by more than \$50 billion. And the reason he is doing that is what we are talking about today. And I also know that he has the support of 31 of his 36 Republicans on that committee. I also know that Chairman McCain has said that sequestration level is unacceptable, and he is moving on to do the same thing. Our chairman and ranking member understand how serious it is, they have addressed this issue, heard testimony, as have Members on both sides of the aisle. So, you know, we will hopefully be able to re-evaluate where we are. It is not about—we have to deal with the issue of cost, there is no question, and spending, but we need the right formula. We don't need an incompetent formula, that if you are involved in a trial or lawsuit

would probably be super malpractice, because how incompetent a sequestration system is versus the priority of budgeting.

Yield back.

Mr. FRELINGHUYSEN. Okay. Thank you.

Gentleman from Oklahoma, Mr. Cole.

SEQUESTRATION

Mr. COLE. Thank you very much, Mr. Chairman.

I want to agree with my good friend from Maryland. We all agree, frankly, around this table about the consequences of sequestration, and we very much appreciate you pushing, you educating, frankly, not only the committee, but through modern technology the American people and hopefully the leadership on both sides. I will say this, though: I mean, our problem here is nobody around here can fix this around this table. It is not a policy, it is the law of the land, it was a law passed by Congress, signed by the President, actually recommended by the President. It was his suggestion in the budget negotiations in 2011.

And the budget he submitted that you are basing your budget on, frankly, is politically, you know, fantasy. It is not going to pass, and he knows that. So at some point we are going to have to get to something we did 2 years ago successfully, something like a Ryan-Murray, you know, negotiated budget. Sadly, I don't think that will come until after the appropriations process. So, I mean, this committee is going to be forced to live by the law unless there is a negotiation that begins sooner, which I would prefer happen, and I think, again, everybody around here would, but we are going to have to live within the numbers that we have under the law, and sadly, that means we are going to have to make a lot of tough decisions.

PUBLIC-PRIVATE PARTNERSHIPS

I do have a couple of questions beyond that point, and one, I am privileged to represent a district that hosts Tinker Air Force Base, and we are very, very proud to have the facility and we think it is great, we think it is wonderful leadership. It is no question, it is a tremendous economic boost for our area, and we have tried to be generous in return. I think the original—I know the original land that the base is located on was donated by the community to then the United States Army Air Force at the—we recently, or a few years ago purchased at \$54 million a shuttered GM facility and donated that to the Air Force, we lease it to you for a buck a year for 100 years. I don't think—and we just purchased a \$40-odd million land tract from a local railroad to help with the KC-46 mission there, all at the local community's expense, and we are happy to do that. We think that is a bargain for us, frankly.

Can you tell me, are there other efforts like that underway? Because you have so many facilities that are wonderful contributors and people are proud to host, so I presume other communities are willing to do the same thing. Do we have a formal program to try and encourage them to do those sorts of things?

Ms. JAMES. We do, Mr. Cole, and we call it public-private partnerships. And so there are other great examples. You gave a terrific one there, but there are other great ones around the country

where we are increasingly partnering with local communities near military bases, and it is usually a sharing of dollars and resources and a sharing of access to a particular facility so that our airmen benefit and perhaps so does the community. So there is that going on. And there is also enhanced use leases, where we enter into agreements, you just mentioned one, and either there is some Air Force land that is utilized for some purpose, which would be of mutual benefit, things of that nature.

And by the way, this is another way we are trying to find efficiencies through both public-private partnerships as well as enhanced use leases.

Mr. COLE. I would really appreciate just for the record another time if you could send me a list of those kind of examples. I think they are wonderful to know and, frankly, to remind other people that those kind of opportunities exist.

Ms. JAMES. We will do that.

[The information follows:]

Budgetary constraints are motivating the Department of Defense, its installations, and community partners to re-evaluate the way we do business and seek alternatives to the status quo. Air Force Community Partnerships, both public-public and public-private (P4) partnerships, offer opportunities to leverage resources and capabilities of installations, state, and local communities or commercial entities to achieve mutual value and benefit. Benefits include reducing operating and service costs and risks and achieving economic goals and interests.

There are now 48 installations in the Air Force Partnership Program who have identified over 1,000 initiatives across the spectrum of installation services and mission support; many of these initiatives are undergoing further refinement and development with potential application AF-wide. Initiatives identified to date undergoing refinement and development include: agreements with communities pertaining to operation of a water, waste water treatment plant; medical, security, emergency response, and civil works training; refuse management; ground or pavements maintenance; construction/maintenance of ball fields; operation of Airmen support services like libraries, golf courses and youth programs; and air field operations and maintenance services. Initiatives are truly the "tip of the iceberg" as partners are now developing more technically complex initiatives requiring at times a mixture of leasing, Federal Acquisition Regulation contract and financial parameters.

Specific examples include: Shared water/waste water treatment systems; city salt brine application service; emergency pole replacement response and training; medical training and skill certification; emergency response, police and civil engineer training consortium; national incident management system training, exercise collaboration and communication interoperability; shared small arms or long range weapon firing range; refuse management and other operations and maintenance agreements with local cities; military and dependent workforce transition assistance; shared sports fields; air shows; UPS mail delivery; morale, welfare, recreation funding increase/reducing cost to provide Airmen support programs; environmental mitigation cost reduction; electrical cost and renewable energy reduction; aircraft operations; medical care facility and Air Force prisoner confinement.

OPERATIONS AGAINST ISLAMIC STATE

Mr. COLE. Last question. We are putting a tremendous strain on your resources and right-of-ways, but right now obviously you are heavily engaged in air operations against ISIL, and I am just curious if you could give us some sense of how much that is costing, how many resources that we have tied up in doing that, and, frankly, do you have what you need to complete the mission, what are the additional things you might need?

Ms. JAMES. Well, not to sound like I am bragging, but your United States Air Force very much is in the lead within this joint force and within—

Mr. COLE. You are allowed to brag, Madam Secretary.

Ms. JAMES. Am I allowed to brag? Okay.

Mr. COLE. Yes, you are.

Ms. JAMES. All right. So, you know, we are doing everything from fighter missions, to refueling, to mobility missions and so forth. I can safely say between 60 to 70 percent of the total strike missions have been the United States Air Force. Well over 90 percent of the ISR, the refueling, mobility, this is the United States Air Force. I believe the costs are about \$1 billion to date, but I am looking at the Chief for verification. Okay. About \$1 billion to date for the overall cost of the operation. And, again, this is a coalition, it is 15 member nations, but this is the—

Mr. COLE. Could you give me an idea of the relative ratio, I mean, how much are—and I appreciate each and every one of them, but how much of the countries that are working with us in this actually providing, I know there is a certain amount of symbolism here, but again, every plane helps, every pilot helps, so how much of the load are they carrying?

Ms. JAMES. I believe there are, if my figures are correct, about 600 or so coalition aircraft, of which 300 would be the United States Air Force, if you are just looking at the aircraft.

Mr. COLE. Could you give us the overall American effort? Because I know it is not just the United States Air Force. But we obviously have naval aviators and I would assume marine aviators involved.

General WELSH. Yes, sir. They are. The aircraft off the carriers are flying about 10 to 11 percent of the sorties that are being flown right now. The coalition is flying for strike sorties in Iraq in particular and for some in Syria between 25 and 35 percent depending on the target areas. It is a great coalition effort actually. Everybody is performing well. The cooperation and the coordination has been outstanding. As you know from reading the papers, there is some independent efforts that are being thrown in that are now being coordinated with our Air Operation Center in the Middle East. The majority of activity is being coordinated through and by our Air Component Commander there, supporting the Army Ground Commander. The task force is doing this. There is a lot of great work being done. It is not a huge air effort in terms of big air campaigns. If you think about 15 to 25 strikes a day, compare it to 950 to 1,000 in the first Gulf War per day.

So the level of effort is focused. It is a very controlled effort because of the situation on the ground. And we are just waiting for the ground force to be developed and then we will support them in a robust way.

Mr. COLE. Appreciate that very much. I yield back, Mr. Chairman.

Mr. FRELINGHUYSEN. No plug for the AWACS today?

Mr. COLE. Do you want to give me another round here?

Mr. FRELINGHUYSEN. Ms. Kaptur.

STATE PARTNERSHIP PROGRAM

Ms. KAPTUR. Thank you, Mr. Chairman. Thank you both for your service to our country and all those that work for us at Air Force. I won't have time for you to answer this question, but I want to

state it publicly, related to our nuclear weapons program. And I will ask, for the record, what measures are included in the 2016 budget, our request to improve the state of our nuclear enterprise, asking you to distinguish between funds that will be devoted to sustaining the existing force versus modernization. There have been so many problems in that program, shocking actually. We would ask you to develop an appropriate reply in the record for that. But I would like to focus on the cost savings related to the relationship between the Air Force and the Air Guard.

And I agree with what my colleagues here have said about sequestration, sort of a guillotine approach with no thinking as to where we are going to place funds inside the important budgets that you manage. Let me first turn to the F-35. I represent a fighter wing and a Guard wing in Ohio, the 180th, just a phenomenal unit. And as you look at the cost savings requirements that you are forced to in both your acquisition and operation, how thoroughly has the Air Force analyzed the cost savings related to Guard-based operations versus Air Force? So my first question relates to the F-35 program and the Guard. And then, secondly, on the State Partnership Program, which is something I have a great deal of interest in because of what we are facing in many parts of the world, including in Ukraine right now, I am interested in ways to support and improve that program. I have watched it in operation on many levels. It is underfunded. And changes in your budget regulations have removed the flexibility of the Air Guard to mix funds with Air Force to pay for the total cost of the program.

In prior years, the Guard would fund payroll and Air Force paid travel. But our State Partnership Program can't operate in the same way anymore. Ohio is partnered with Hungary. California is partnered with Ukraine. What can Air Force do to remove barriers to promoting the American relationships so vital to us through the State Partnership Program, so on F-35 and the State Partnership Program?

General WELSH. Yes, ma'am. Let me start with the State Partnership Program and start by thanking many of you for the participation of your Guard units in this program. This is a phenomenal program that has been going on for more than 20 years and has built long and enduring personal and professional relationships with about 79 different countries around the world now. This is a remarkable multiplier for our Air Force and for our United States Military—because the Army does the same kind of programs. The travel pays that you are talking about, ma'am, on State Partnership Programs in the past, it depended on what status you were traveling under. If a State unit was traveling under Title 32 authorizations, then the Active Duty Air Force could not pay travel for Guard members. If they traveled under a Title 10 authorization on the State Partnership Program, then we could pay travel expenses.

I am not aware that that has changed. But I will go find out. Because if that has changed, it is a surprise to me. Those have been the rules for as long as I have understood them. And if it has changed, I just missed this one. And I will check. I will let you know.

[The information follows:]

Although Air Force Instruction 65-601, Volume 1, Budget Guidance and Procedures, was updated on March 26, 2015, the authorities for the State Partnership Program (SPP) funding have not changed. For SPP events conducted overseas, National Guard members are typically placed in a duty status by orders issued under the authority of 10 U.S.C. 12301. For SPP events conducted within the United States, National Guard members are placed in a duty status by order issued under 32 U.S.C. 502. The biggest help would be to ensure pay and allowances are accounted for when using the National Guard to perform security cooperation activities under the authority of Title 10 U.S.C. 12301.

Ms. KAPTUR. Thank you. Thank you very much. I appreciate that, General. I think there has been some type of change. I don't know what spurred it. But I would be very grateful for your attention to that. If we look at long-term relationships that we have been developing with several countries around the world, I just think this State Partnership Program is one of those important efforts that can help us bridge the development work that needs to be done on the ground and relationship building that is going to have to occur over a long period of time. So I thank you very much for that.

EUROPEAN REASSURANCE INITIATIVE

Let me finally ask in view of what is occurring in Ukraine with Russia's invasion of Ukraine in violation of Ukraine's sovereignty and territorial integrity, looking forward in the 2016 budget at our relationships through NATO and Air Force's participation in various aspects of that, what presence does your budget anticipate in the Baltic states and also in Poland? What types of flyovers or joint maneuvers, how are you thinking about 2016 in terms of that region of the world?

General WELSH. Ma'am, we have fully funded the U.S.-European Command commander's request for presence both in the aviation detachment in Poland and for North Atlantic Treaty Organization (NATO) air policing support in the Baltics for support-to-ground exercises in both Eastern and Southeastern Europe. We have also fully funded the European Reassurance Initiative that kept an F-15 squadron on active duty in Europe, as opposed to closing it down and bringing it back to the States. So we were fully committed to supporting General Breedlove in his role both as commander of U.S. European Command and as the Supreme Allied commander of Europe (SACEUR).

F-35 AIR NATIONAL GUARD BASING

Back to your initial question, just to close it out, the F-35 bed down for the Guard, the next two units to be selected for F-35 bed down will be Guard units, the 5th and 6th base will be Guard units. And those bed down time periods are 2022 and 2023. So you will see more F-35 bed down in the Guard here in the early 2020s. The cost model you referred to has been where we have been working on this together for the last several years—

Ms. KAPTUR. General, may I interrupt? Could you provide some of those cost savings to the record? Is there a way for you to do that?

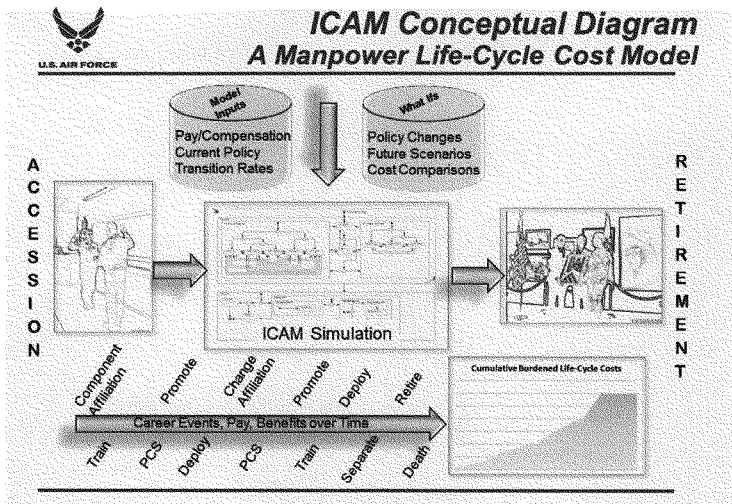
General WELSH. What we can provide you is the information on the Individual Cost Assessment Model (ICAM) that covers everything from cost of an individual operating F-35 at a Guard base

versus activity duty, to the cost of bedding it down and doing supporting infrastructure. I will be happy to get you that, ma'am.

[The information follows:]

The Individual Cost Assessment Model (ICAM) estimates annual home station operations and maintenance manpower costs for Air National Guard (ANG) F-35 Unit Type Code (UTC) packages to be approximately 59 percent of the cost of an equivalently manned regular Air Force component UTC packages. A 24-Ship UTC package in the ANG would cost an estimated \$23.5 million annual compared to \$40.1 million for regular Air Force UTC packages. This is attributed to the lower costs of a primarily drill status ANG workforce. In addition to the annual cost savings, a Drill Status Guardsman cost approximately 42 percent for officers and 40 percent for enlisted compared to their Active Duty counterparts on average over the entire life cycle of the Airmen (including pay and benefits over both the career and retirement).

ICAM is a simulation model providing high-fidelity estimates of individual Active Duty, Air National Guard, and Air Force Reserve Airmen pay, benefits, and compensation costs. It models Airmen through their careers from accession to end-of-life and calculates the annual and burdened life-cycle manpower cost. ICAM models the major career events and associated cost implications of accession, permanent change of station, promotions, deployments, component changes, separations. Cost elements include pay and allowances, medical and retirement accruals, incentives, training, Medicare accrual to name a few. Being a simulation, ICAM can support experimentation on changes to pay and compensation assumptions and policy. ICAM is provisionally approved for the Air Force Standard Analytical Toolkit. AFRC/A9 developed ICAM in close collaboration with AF/A9, SAF/FM, and NGB. The annual cost estimates can be applied to unit constructs as described below using F-16 Unit Type Codes (UTCs).



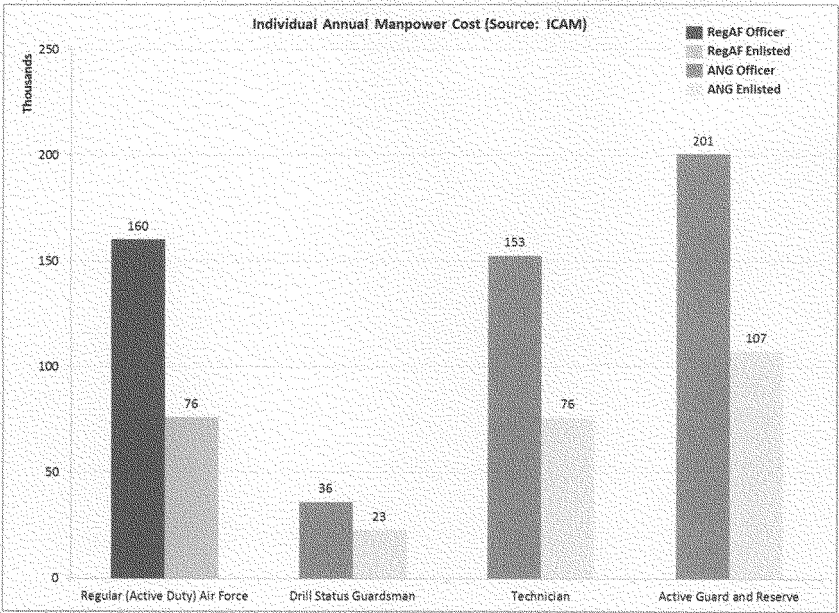
Assumptions for Comparative Cost of manpower for Active Duty and Air National Guard F-35 units:

- Cost comparison developed using the ICAM annual costs
- Focused on manning for 24-Ship and 18-Ship UTC packages of F-16 Block 50 units. This manning configuration is a proxy for F-35 operational UTCs yet to be fielded
 - o 24-Ship UTC package is comprised of a 12 Lead, 6 Follow and 6 Follow UTCs
 - o 18-Ship UTC package is comprised of a 12 Lead and 6 Follow UTCs
- Manpower costs are for home station only; deployment costs not included
- Assumed Drill Status Guardsmen work 39 days per year (24 days – 48 periods – of Unit Training Assembly and 15 days of Annual Training. Rated Airmen do receive additional training days, but they are a small percentage of the overall ANG manpower, and this does not fundamentally change the analysis.)
- RegAF officer to enlisted ratio calculated from F-16 Block 50 units at Shaw
- ANG manning ratios calculated from F-16 Block 50 units at McEntire and Duluth

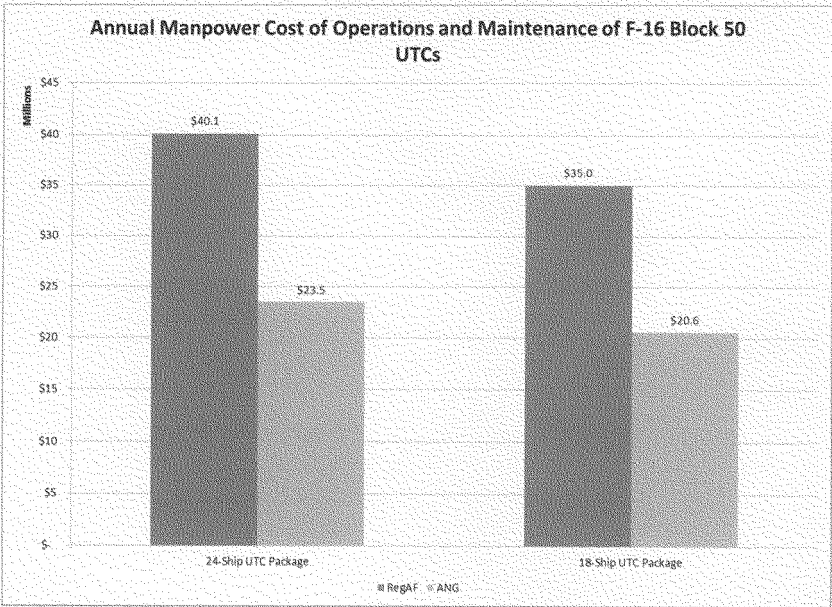
Manning Data:

RegAF vs ANG F-16 Block 50 Comparison: Manpower								
RegAF	Officer	Enlisted						Total
RegAF 24-Ship UTC Package	42	438						480
RegAF 18-Ship UTC Package	37	382						419
ANG	DSG-O	AGR-O	DSG-E	AGR-E	Tech-O	Tech-E	TOTAL Full Time	TOTAL MIL
ANG 24-Ship UTC Package	36	9	404	33	5	131	178	480
ANG 18-Ship UTC Package	32	8	353	29	5	114	156	419

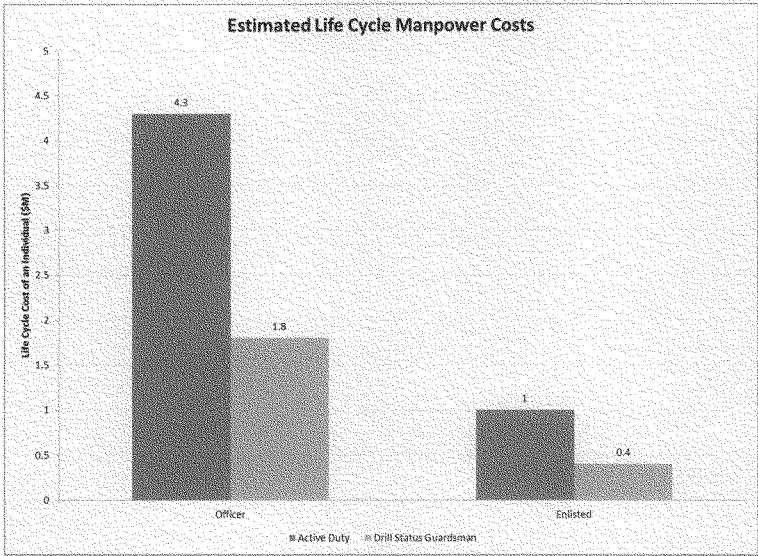
ICAM Annual Manpower Costs by Employment Status:



Annual Unit Manpower Comparative Costs at Home Station:



Life Cycle Costs of Airman:



Mr. FRELINGHUYSEN. Thank you, Ms. Kaptur.

Ms. KAPTUR. Thank you. Thank you.

Mr. FRELINGHUYSEN. Mr. Womack.

ISR DEMANDS

Mr. WOMACK. Thank you, Mr. Chairman. And my thanks to the Secretary and to the chief for their testimony this morning and their great service to our country. I truly appreciate their commitment. And it is obvious in listening to Secretary James in her address this morning, it was more than just a document that was read. I couldn't help but notice that you were into it. And I appreciate your passion. These are times that we are going to have to all be passionate about what we do. I want to go back to ISR for just a minute. You really can't get enough of it. My experience—even though it was before the current ISR technological platforms were in place, but it just drives so much of our success on the battlefield. My numbers could be a little off here, but I think in 2014, according to my data, there were 35,000 ISR missions alone in the CENTCOM area. These threats are terribly dangerous. They are growing by the day.

So let me ask you this question: Is the Air Force need for ISR increasing in order to complete the missions in the Middle East? And is our ratio of ISR to conventional capability changing in that area of activity.

Ms. JAMES. Let me start, Congressman. And then the Chief, I want him to jump in on this as well. As you said, the desire for more ISR, it is going up, up, up, on the part of the combatant commanders. And I can understand why. ISR provides precious information. It can avoid loss of life, innocent life if you really are persistent in knowing who is who and what is what. You can actually do in some cases attack missions. It provides a lot of information. And that information is power. So I get that.

The problem is several-fold. Our job is we have to make sure that we have priorities in our Air Force, but we have to have a balanced portfolio. In other words, if we swing too hard in one way and let everything else go by the wayside, then we won't be doing our job properly. So we try to always maintain the balance. And so sometimes the ISR challenge becomes enormous for us. But with that said, like I said in the beginning, part of that extra \$10 billion did allow us to buy back some ISR that we were otherwise going to retire or to invest in more of these combat air patrols. And that was a good statistic that you have about the value of ISR. I have it slightly different. But we are making the same point.

In support of Central Command alone, ISR missions have identified more than 1,700 Improvised Explosive Devices (IEDs) which otherwise might have killed U.S. and allied combatants. We have responded with ISR to 1,500 troops in contact events. 18 million images have helped provide that information. And, finally, in the Iraq-Syria campaign, 22 high-value individuals have been removed from the battlefield thanks to ISR. And I think that is military speak by they are either dead or captured. So it is a very valuable thing. But, of course, our job is we have to have the balance.

General WELSH. Intelligence information to support decision-making has become the coin of the realm in warfighting today. It

just is. That is where the demand is coming from. The ratio has clearly changed. In fact, in the Air Force, roughly 7 years ago, we actually shut down 10 fighter squadrons to provide the manpower and resources to stand up more ISR. It is part of the capacity problem. And now we have many combatant command demands for fighter squadrons. But we did it because that was the only place we had to go to get resources. We build to combatant command requirements, not to Air Force requirements. So when the combatant commanders tell us that their number one priority is ISR, as we build our budgets each year, we go back to them and we will sit with them, as I did again this year, and ask each of the regional combatant commanders would you prefer for us to invest in more ISR or would you prefer for us to invest in maintaining things like close air support capacity for you.

That is where we come to these very difficult decisions on recommending things for, like, the A-10 fleet to go away. We go to them for their priorities. And we try and fund those and meet them. That is who we build an Air Force to support.

Mr. WOMACK. Are we going to be adding more ISR space here in the country, more State-wide based programs? Is that in the plan to keep up with the demand for more ISR?

General WELSH. Sir, we have expanded the ISR mission in both the Air Force Guard and the Air Force Reserve significantly over the last 5 years. And we will continue to look for opportunities to do that. Right now, there is no additional demand for more multi-piloted aircraft because about 7 percent of our aircraft fleet is actually remotely piloted. And that probably won't climb dramatically any time soon.

Mr. WOMACK. Are we having any trouble finding the analysts and doing the training for the State-side missions?

General WELSH. We are having trouble retaining the pilots for the Remotely Piloted Aircraft force. But other than that, this is an exciting career field. We have a lot of people who want to come into the Air Force to do it. They really enjoy the work. The pace of the work is what has been crushing the pilot force because we haven't got it fully manned, only because the requirement keeps going up. So we have been chasing this training problem for the last 8 years. And we just can't get ahead of it because operational demand won't slow down. And we will continue to do the best we can. But we are just about at a breaking point in the pilot force if we don't stabilize the demand for a period of time to let us get ahead of the training problem.

Mr. FRELINGHUYSEN. Thank you. All set?

Mr. WOMACK. Am I out of time?

Mr. FRELINGHUYSEN. I am glad that the gentleman from Florida turned off his radioactive iPad. There is some time before we go to Mr. Diaz-Balart.

Mr. WOMACK. I thought we were being jammed and Admiral Greenert had sent some growlers over here to kind of jam us.

Mr. FRELINGHUYSEN. Make it quick. We want to make sure that Mr. Graves gets in some questions.

Mr. WOMACK. I will hold this question until the next round. I yield back.

Mr. FRELINGHUYSEN. Didn't mean to pick you on, Mr. Diaz-Balart. The floor is yours.

FOREIGN SOURCES FOR WEAPONS COMPONENTS

Mr. DIAZ-BALART. Thank you, Mr. Chairman. It is good to be with all of you. As one of the newest ones here, please pardon my ignorance. There is a lot of conversation about the Russian-built rocket engine. Are there other key components of weapons systems that are built by other nations and other nations that are potentially either unstable or problematic and what would those be?

Ms. JAMES. Well, the one that is high on my list at the moment is the RD-180. Now, of course, we do have other components—in fact, it has been the policy of the United States Government for some years to try to have interoperability with our allies. And so there are various other things that are produced by Europeans and the like. There is none other that quite rises to the occasion of the RD-180 that gives us pause at the moment though.

General WELSH. Not at the moment. But, sir, the Department of Defense, specifically the Under Secretary of Defense for Acquisition, Technology, and Logistics (AT&L), Mr. Frank Kendall and his staff, along with the Under Secretary of Defense for Policy and their staff, actually have a review process by which they look at this routinely, to try and ensure that we don't run into problems like this.

Mr. DIAZ-BALART. So we don't have key components built by China for example? We don't have key components built by China, for example, for weapons systems? I understand the European Union. But some potential adversaries like Russia, obviously, is problematic as you just mentioned. But how about China?

Ms. JAMES. To the best of my knowledge, we are not doing that, no.

OVERSEAS CONTINGENCY OPERATIONS (OCO)

Mr. DIAZ-BALART. Okay. We all understand how difficult your budget situation is and we are all concerned about that. OCO, which we understand also gives some flexibility and is essential, but that is also one of those things that is constantly targeted by, frankly, all of our colleagues because there have been reports of waste, et cetera. I understand the importance of OCO. And I understand how it is fundamental for you to do your mission. But what steps have been taken or are you looking at taking, if any, to make sure that it becomes less of a target for our colleagues? And in order to do that, obviously, you have got to make sure that it is as efficient and effective as possible. So what steps are being taken to make our job easier to defend your funding vis—vis OCO.

Ms. JAMES. As a general proposition, and we can get you an exact numbers, but, of course, OCO has been coming down over the years, as you would expect, as the situation in Afghanistan has transitioned to a new level. But with that said, it is kind of an interesting point of fact that the Air Force's piece of this is more of what I will say a steady state situation. So it might not be exactly steady state, but the point is what we are doing in the Middle East and the kinds of refueling and mobility, this is kind of the day-to-day work of ISR. So we project that this is going to be continuing

for the foreseeable future. So I don't think you are going to see a dramatic, dramatic fall-off in OCO. And in terms of how do we make sure we make every dollar count, it is kind of the same sort of rigor that we are trying to apply to the contracts and the work that takes place in OCO as we are trying to apply to the base budget types of contracts and work.

General WELSH. Sir, I would add that we have made a good-faith effort to try and move OCO funding into our base budget over the last probably 5 to 6 years. We will get you the exact numbers of how we tried to do that. Not having the reset as we came out of Afghanistan that everybody was anticipating has made that difficult to continue along the path we were on. But we have been building the path and we are moving down it to move those things that should be in our base budget into our base budget and get them out of your job jar for OCO, unless you consider it in terms of the base support for the Air Force.

ISLAMIC STATE

Mr. DIAZ-BALART. And, lastly, if I may, Mr. Chairman, just very briefly, General, when you mentioned the number—so this is kind of, pardon the pun, at the 30,000-foot level—you mentioned the number of sorties that the United States and the coalition is doing versus what we did in, you know, in Iraq, for example. Is that number sufficient to destroy ISIL? Is it sufficient to—one of the criticism that you hear out there is that potentially we are not doing enough as ISIL continues to potentially expand. So, in other words, it is pretty dramatically less when you put it in those terms. And I know they are efficient and effective strikes. But it's not that many of them. And it almost seems that is not a totally—it is not a serious effort to destroy it, to eliminate it. It might be an effort to contain.

So, again, how does that compare? How can you with whatever you said, 25 I think was the number you said, is that not part of the problem, why we keep seeing them in the news all day?

General WELSH. Without arguing the strategy here, the strategy that is in place, sir, laid forth by General Austin and endorsed by the Secretary of Defense and the President, was to try and do everything you could to deny ISIL the ability to mass, the ability to take more territory, the ability to continue to grow unobstructed and move unobstructed across the battle space that they are operating in while a ground force was put together, that we would then support from the air as they went in to do the very hard work on the ground, to do things like clear out the city of Mosul and actually recover and maintain control of territory from ISIL.

Air power can do lots of great things for you. It can influence all kinds of behavior on the ground, which it is doing today. It can destroy things. It can affect people's opinions and their moods every day. But it is not going to control terrain over time in a way, especially urban terrain, the way ground forces can. And so our job—in this particular case, we have the lead for now. We are seeing that they don't mass any more. We are seeing them move into defensive positions. We are seeing them form defensive structures, that helps with targeting. We are seeing them change their behavior. All of which shows that air power has had an influence even

when applied at this level. And we have got to get the rest of the strategy online to conduct the defeat part of the operation.

Mr. DIAZ-BALART. Exactly. If you could just give me those numbers once again because it was rather dramatic. I hadn't heard that before.

General WELSH. I am just talking, this is right of the newspaper, sir. The average number of strike sorties a day, I saw an article the other day, was roughly 15 to 25 a day. I think that has been fairly accurate. There is a lot of other sorties being flown, but it is about 15 to 25 actual targets being attacked a day.

Mr. DIAZ-BALART. Versus?

General WELSH. Versus the first Gulf War, which some people have asked me well, why doesn't it look the same? We were flying literally 1,000 plus strike sorties a day in the first Gulf War. It is just a completely different level of effort.

Mr. DIAZ-BALART. Thank you, General. Thank you, Chairman.

Mr. FRELINGHUYSEN. Thank you. And before I go to Mr. Graves, one of the issues here—I know we do some remarkable things with the Air Force. And what personally interested me is the issues of rules of engagement. Because obviously containment is one thing. But if we are supporting our ground troops, we need to be able to support them night and day. And I do know there's some issues there that are of deep concern to me, that we are not at times doing the things we ought to be doing. Mr. Graves.

A-10 AND CLOSE AIR SUPPORT

Mr. GRAVES. Thank you, Mr. Chairman. Secretary James, General, thanks for being here and for your testimony and for your explanations and your willingness to work with this complete as we all work to comply with the law and the BCA, as difficult as that may be. The chairman mentioned in his opening remarks a spirited debate that will likely rise over the next several weeks, if not months, about the proposed PB 2016 retirement of the A-10, a spirited debate probably in this body, in this room, in the House, but probably likely also internally with you all as you came up with the proposal, noting that the General is quoted as saying the A-10 was my first fighter and he loves that airplane.

So I know he has a deep passion for it as well. But that aside, the replacement is proposed for over 4 years. And I guess the F-35 is proposed to make that replacement over time. How can you ensure us that the 4-year retirement of the A-10 and the replacement plan that is in place will continue to provide the close support that will be needed over the next 4 years or 5 years? Can you help us understand how that might happen?

Ms. JAMES. This is another one where I would like to start but for sure want the Chief to jump in. So the original proposal to retire the A-10, I am going back a year now, the original proposal to retire the A-10 over 5 years or so, I had no piece in making that decision. Because by the time I arrived in the Pentagon and got sworn in and confirmed and so forth, pretty much the budget materials had already been established.

So last year, I didn't have a particular piece in the decision. But this year, I do have a very strong part of the decision to go forward and continue to propose it. So I just want to point out that with

the greatest of reluctance for budgetary reasons that we are proposing it, not because we don't believe in close air support. We do. It is a sacred mission. And we got it. And over the course of the last several years during the war effort in Iraq and Afghanistan, it is on the order of I want to say about 70 percent of the close air support missions have been flown by the other aircraft who are also contributing to that mission. So I am talking about F-16, F-15, B-1 and so forth. Whereas, the A-10 has also been a very strong contributor. But my point is we have other aircraft that can do the mission.

So during this period, if our proposal goes forward and we are allowed to gradually retire, we would continue to use the A-10 for as long as we have it in the inventory to be a contributor to the mission. We would continue to use these other aircraft. And then gradually as the F-35 comes on board, that could also be used for not only close air support but for other missions as well. Because that is designed to be a multi-role platform.

Mr. GRAVES. So you are confident that close air support will not be diminished over the next 4 years in this proposed retirement over the next 4 years of the A-10?

General WELSH. Congressman, what the BCA means, and sequestration would be more of this, what BCA means is less Close Air Support (CAS). It means less air superiority. It means less strike. It means less command and control. It means less ISR. So we were going to have less capacity to do every mission we have in our Air Force. That is just what the law does to us. So what we do is go to the commanders and say where do you want to take your risk? We have a fleet of other aircraft who can do close air support in this environment well.

We would like to have every tool we have right now. But they want more ISR before they want more CAS. 18 percent of the CAS sorties since 2008 have been flown by the A-10. The workhorse of our CAS fleet today, in reality, is the F-16. It has flown thousands more CAS sorties over that time period than the A-10. There are some scenarios the A-10 is much better at than other airplanes. There are some scenarios the AC-130 is best at. There are some scenarios the B-1 is best at. But we have aircraft that can do this mission in this environment. The F-35 will not be a great CAS platform at IOC in 2016. It was not intended to be at that point in time. It won't be fully developed.

In 2021, when it reaches full operational capability, it will be a different story. We are in the process of developing new weapons capabilities for it. We are looking at how we move the CAS culture from the A-10 into our F-16, F-15E, and the F-35 units as they stand up, both active and Guard units and Reserve units. This is a mission we have been doing since the Second World War. We will not slow down. So you know, I am a Marine Corps infantry officer's son. We are not walking away from close air support.

Mr. GRAVES. That is very good. I think that is what the committee wants to hear is that that support and confidence is still going to be there. And then from a basing perspective, do you anticipate that as the F-35 comes online that it will replace the A-10 at the bases at which they are being retired from? Or is there a base selection process?

General WELSH. That is the plan. And one of the concerns we have is the transition plans we have built for the units, especially in the Reserve component, we are worried that if we don't transition on schedule, then those transition plans are now going to be at risk. And we don't want that to happen either.

Mr. GRAVES. Thank you again for your testimony.

Mr. FRELINGHUYSEN. Thank you, Mr. Graves. Mr. Visclosky.

Mr. VISCLOSKY. Thank you, Mr. Chairman. I would like to talk about readiness if I could. And, Madame Secretary, I found it interesting that you mentioned the average aircraft. The B-52 is 27 years old. And I could be wrong, but my assumption is that the average Air Force person in uniform is younger than 27 years old.

Ms. JAMES. You are right.

FULL SPECTRUM READINESS

Mr. VISCLOSKY. So I appreciate the need to procure equipment. But I am struck in the budget request—and I would acknowledge, first of all, that on the procurement line for aircraft, there are other procurement lines for missile and space, the base is much smaller so percentages can be misleading—but there is almost a 30-percent increase in procurement. Given the testimony on readiness, the increase is just about 11 percent. And I would also acknowledge for the record that the absolute dollar amount is a higher increase for operation and maintenance. Is it true if you are at current-year levels and not operating under the caps that it may take until 2023 to recover full spectrum of combat readiness?

General WELSH. It is, sir. And the reason it doesn't show up in that readiness account and why that number is 11 percent is because, the reason that we will have to wait another 8 to 10 years even to recover full combat readiness for the Air Force is something I mentioned earlier—it is the infrastructure that produces combat capability. And that is in multiples accounts. Some is in a nuclear account. Some is in our Facilities Sustainment Restoration and Modernization (FSRM) accounts, our Military Construction (MILCON) accounts. It is in other places. But it is things like developing training ranges with current threat simulations. It is developing the simulation infrastructure that allows us to create a virtual constructive environment to train our new 5th generation aircraft in, because we can't afford to do it in the live world. We can't afford to build that threat base and keep it current.

And so there is a lot of things that go into the infrastructure of an Air Force that allows you to train and develop your people the right way and give them full combat capability that we have not been funding well enough for the last 10 to 15 years.

Mr. VISCLOSKY. Chairman, I would make an observation, I thought the chairman did it very well yesterday in his opening remarks, that all of us, in our own fashion, blame sequestration for a lot of the world's ills. But there are other events that take place as well. I am struck that this time last year, when you were before the panel, we were not dropping ordnance on the country of Syria. There are always new demands. And I understand within the last 2 years, the Air Force has also been forced to cancel its red flag exercises and an entire weapons school class. I started—when you enumerated to an earlier question all of that infrastructure that

you need for that readiness and the fact just, I guess, over 50 percent of our pilots are, if you would, they are all capable but fully ready. Do you have a list, do you have a breakdown as far as the investments needed in each one of those infrastructures you have mentioned to accelerate that?

And my question also fundamentally is—and I am not arguing the procurement side—but that person that is using whatever that equipment, plane, munition is, for their safety, for their effectiveness, as well as the welfare of our country, they got to be as ready as possible and trained as ready as possible. And if it is going to take us to 2023, I think we need to invest more on that side of the ledger. Do you have a breakdown as to if there was an increase in some of those accounts, that we could squeeze that date to the left instead of to the right.

General WELSH. Yes, sir. We can give you the breakdown of that. The individual readiness stuff is what we have been focused on. The BBA has helped us start that recovery. But if we can't continue that momentum, it will stall again. But we can give you the numbers with regard to each of those things, sir. And the infrastructure thing is what I would call critical mission infrastructure. It is a limited group of things. We haven't added a whole bunch of excess things to that list. It is not a get-well across the board. And some of the reasons for that lack of investment are Air Force reasons. We have prioritized other things and now it has caught up with us.

Mr. VISCLOSKEY. My desire is to push that to the left instead of the right. If you could provide that for the record, I would appreciate very much. Thank you, Mr. Chairman.

General WELSH. Yes, sir.

[The information follows:]

The Air Force's fiscal year 2016 President's Budget request includes the following infrastructure investments:

\$3,183.1 million for facility sustainment, restoration and modernization (FSRM) which supports, provides, and enables installations as power projection platforms for our forces. The FSRM programs ensure built assets are kept in good repair to meet mission needs. We resourced our facility programs to reach a maintenance and repair floor of 1.9 percent of our facilities plant replacement value. Industry studies indicate maintenance and repair investments should be between 2 to 4 percent of the entire plant replacement value. We minimize our risk through the disciplined use of asset management principles to ensure critical mission infrastructure is maintained adequately and accept greater risk in other areas.

Military Construction (MILCON) is one of three critical components of maintenance and repair. For fiscal year 2016, we requested \$1,592.9 million for MILCON which supports, provides, and enables mission critical infrastructure that contributes to combat capability over time: nuclear infrastructure, test infrastructure, space launch infrastructure, satellite command control and communications architectures, as well as simulation infrastructure. The fiscal year 2016 MILCON request includes three nuclear projects, \$144.2 million; one test project (\$12.8 million); one space launch project (\$21.0 million); one satellite command control and communications project (\$36.4 million); and four simulation projects (\$54.1 million).

The fiscal year 2016 President's Budget request preserves the minimum requirement to meet the Department of Defense's current strategic guidance. Even at the President's Budget request level, the Air Force remains stressed and shortfalls exist. A return to sequestration-level funding, as dictated by the Budget Control Act of 2011, carries great risk and will negatively impact the critical infrastructure components listed above.

CHINA AND RUSSIA

Mr. FRELINGHUYSEN. I would like to have your view of our, I hate to use the expression near-peer competitors, but where do we stand relative to Russia and China? When I first got on the committee, we had the ability to fight two wars. We had the notion, and I believe that we continue to have overwhelming superiority. But we work pretty closely with the Armed Services Committee and we monitor their hearings. And you invoked Frank Kendall in your earlier comments. And I hope we are keeping an eye of what our, these countries are doing. Could you comment on that?

Ms. JAMES. Yes. I will start, Mr. Chairman. There have been actions and then there have been investments, I will say, on the part of China and Russia which are very worrying to the United States. Certainly they are worrying to me. If we look at China, for example, there have both been air and sea incursions in the Pacific, I will say in the South China Sea which are worrying. There have been investments in space and anti-satellite capabilities which are worrying.

Similarly with Russia, wow, who would have predicted the invasion of Ukraine a year ago? I would not have predicted it for one. So those are very serious actions. And Russia has investments as well. As we always say, God forbid we should ever really have to engage in a conflict of this high-end nature. But if we do, we don't want it necessarily to be a fair fight. We want to be able to prevail in an overwhelming—

Mr. FRELINGHUYSEN. So where are we on that sort of technical edge here? I don't want to get into policy. But, in reality, we could ask you how many times your pilots have had to deconflict their missions with people rising to meet them.

Ms. JAMES. Right. So I would say the gap is closing. So if we are not careful, we could lose our technological edge is the way I would put it.

General WELSH. As you know, both Russia and China—

Mr. FRELINGHUYSEN. We are on your side.

General WELSH. Yes, sir.

Mr. FRELINGHUYSEN. And this is the one most worrisome things here. And often with the Navy, numbers do matter. Go ahead.

General WELSH. Yes, sir. In warfighting, quantity does have a quality all its own. That has always been true. Russia and China are both upgrading their air forces. They are a couple of the countries that have watched the model very carefully. China, in particular, is accelerating that development. The concern we have, the major concern we have is as they develop new aircraft and new defense systems, those systems will be more capable than the things we currently have in our fleet in many ways. And so if we don't continue to modernize, we will find ourselves within the next 10 years, I believe, at a disadvantage in a number of scenarios against not just Russia and China—I hope we don't fight Russia or China anytime soon, or anytime ever ideally—but they do export equipment. And within 3 to 5 years typically after they do market something, they put it out to the rest of the world for buying.

There are about 53 countries today that fly top-end Russian and Chinese aircraft. And I assume that 10 years from now, that will

be the case again. And those aircraft will be better than everything we have on the ramp today except our 5th generation capability in the F-22. That is where the F-35 is operationally mandatory for us to be successful in those scenarios in the future.

LONG RANGE STRIKE-BOMBER

Mr. FRELINGHUYSEN. It is mandatory. And I am highly supportive of probably the most expensive endeavor we have ever made. And that is sort of why we serve on this committee. We want to invest in the long-range bomber. I see some figures that seem to be, considering the history of other bombers, comparatively low. What is the estimate these days for the new stealth bomber?

General WELSH. We have remained with a cap of \$550 million recurring flyaway costs in constant fiscal year 2010 dollars. We believe we are on track for that. In fact, I believe we are going to beat that. We will see. The source——

Mr. FRELINGHUYSEN. The numbers you are suggesting that we might have to invest are pretty considerable. And if history is any indication, the numbers will probably come down considerably.

General WELSH. Clearly the unit cost is based on a contract buy of 80 to 100 aircraft. If we buy 10, the unit flyaway costs will be much higher.

NEXT GENERATION AIR DOMINANCE

Mr. FRELINGHUYSEN. You are identified with what is called the next generation of air dominance. I know that is sort of a DARPA-related area, but it is pretty important. What do you foresee in that scheme of things, that type of looking ahead into the future? Is this another aircraft? Or is this maybe a greater reliance on UAVs? What do you see in the future in that envelope?

General WELSH. Mr. Chairman, we don't know what it is yet. That is why we are just starting the developmental planning effort. Defense Advanced Research Projects Agency (DARPA) has been working this for a while. We are beginning a formal development and planning effort in the Air Force where we will include people like DARPA, Air Force Research Labs, Air Combat Command, a number of advisers from both industry and threat experts from around the country. The intent is to look at what should air dominance look like 30, 50 years from now. It could include manned aircraft, unmanned aircraft, cyber capabilities. We don't know what it looks like yet.

Mr. FRELINGHUYSEN. I am going to go—have you voted? Has anybody voted here? Mr. Visclosky is here. I guess I need to remain in the chair. Maybe some of you could vote and we can continue. Mr. Crenshaw.

Mr. CRENSHAW. Just real quick, the chair mentioned the long-range stealth bomber. And that is highly classified, I know. But I think there are a lot of doubters. I am not a doubter. You hear that as well. It might be a good idea sometime on a classified basis to hear more about why that is important to our national security. And the other thing, the other program I want to ask you about was the combat rescue helicopter. That is the program we have now. We want to have the best trained, best equipped military. We also want to make sure everybody comes home safe and sound.

I think because of Afghanistan and Iraq, they say that 50 percent of the rescues can kind of take place because they are all worn out from all those missions. And I think there is a time maybe last year you all were thinking about not replacing that. And you would said it would cost \$430 million. We put \$100 million. And so my question is, it seems to me that is pretty important. You look at that Jordanian pilot, maybe he had a search and rescue—those are the kind of things that are really important to bringing people home safe.

So how committed are you all to making sure we have the replacement and you are filling that hole? And if we have to go to the spending caps, is that going to be one of the casualties? Because we would all like to know what the impact of all the sequestration is. And it seems to me that is really important. It is not optional. But where are we, how committed are we to make sure that we replace that program?

Ms. JAMES. So we agree on the importance. And even if we have to live with sequestration, our best advice would be do not touch that program.

Mr. CRENSHAW. Great. So you are filling that hole and you are still working—

Ms. JAMES. That would be our best advice. But, of course, we don't want sequestration, as you know, sir.

Mr. CRENSHAW. Thank you.

Mr. WOMACK [presiding]. Mr. Visclosky.

NUCLEAR ENTERPRISE

Mr. VISCLOSKY. Thank you very much, Mr. Chairman. I would like to talk about the nuclear enterprise if I could. Has the relevance of the two legs of the triad you oversee changed? Over the years, has their evidence changed?

Ms. JAMES. They remain extremely relevant. All three legs of the triad remain extremely relevant, just as they have for the last 60-plus years.

Mr. VISCLOSKY. Is there any discussion in the administration as to whether or not going forward it will be a triad or there configuration will be different? And I must tell you, the impetus of my question is we talk about having a nuclear strategy and often we get wedded to programs; and we have a bomber program; we have a missile program; we have a submarine program, and they just have a life of their own into infinity.

Ms. JAMES. All discussions that I have been privy to, Mr. Visclosky, suggest to me that we are going to absolutely stand behind a nuclear triad. It remains very important. And, as you know, we are taking steps in our Air Force to kick it up a notch with respect to making sure that we modernize, that we do different things for people in training and revitalize.

Mr. VISCLOSKY. Do you have an overall estimate for your modernization program? NNSA suggests that theirs would be about \$50- to \$60 billion.

Ms. JAMES. I can tell you what is different in this fiscal year 2016 budget and the accompanying 5-year plan. I am afraid I cannot, off the top of my head, give you beyond that. But we can try to do that for the record.

[The information follows:]

The Air Force 2016 Future Years Defense Plan includes \$25.6 billion for nuclear modernization. This includes research, development, test and evaluation costs for B-2 and B-52 bombers, Minuteman III, nuclear weapon life extension programs such as the B61-12, and service life extension programs for the air launched cruise missile. Also included are costs for the long range strike bomber, long range standoff missile, ground-based strategic deterrence, UH-1N replacement, F-35 dual capability integration, nuclear command control and communications initiatives (NC3), and procurement of NC3 infrastructure. Finally, military construction investments, including weapon storage facility recapitalization at F.E. Warren Air Force Base, WY, Barksdale Air Force Base, LA and Malmstrom Air Force Base, MT are also included.

Mr. VISCLOSKY. And as far as the potential change in strategy as it relates to the Life Extension Program, is the Air Force comfortable with that?

Ms. JAMES. Well, we certainly recognize that we have to do something about the Minuteman III, that it is not going to last forever. And so the program that we are working on we call the Ground Based Strategic Deterrent. And we have got to fund what that future will be. And this 5-year plan begins that effort and how precisely it is accomplished is still a bit of a point that we are exploring. But whether it is a brand new weapon system altogether or whether there are elements of it that are rebuilt, I will say, this is the part that remains to be explored.

LONG RANGE STRIKE-BOMBER

Mr. VISCLOSKY. And if I could, Mr. Chairman, ask about the issue of the bomber. We continue to invest in Standoff munitions and weaponry. I certainly appreciate the age of some of our bomber assets. But given the estimate of the cost and the historical experience we have had—I would point to the B-2 and the cost per aircraft and the original estimate as to how many were going to be bought and how few, in fact, were procured—what is the justification for a new bomber?

Ms. JAMES. We feel that the new bomber will take us into decades to come in an anti-access, anti-denial type of an environment. So the most complex and difficult type of threat environments that we might encounter in the future years. So that is the overall purpose.

General WELSH. So we actually—the operational analysis that went into the number that was procured takes into account the requirement to do nuclear deterrence alert with the B-52, if you are required conduct nuclear activity and support a U.S. Strategic command, and also the capacity of weapons sorties required to win a major theater fight and do the Air Force piece of that. The number of fighter squadrons that I mentioned before is about a third less than what it was before. So you don't have the same capacity to do fighter bomber-type sorties as we did in the past. It will take us 80 to 100 bombers to provide the sortie rates and the weapons capability to complete a major theater fight. And we would be glad to share that analysis with you. But that is what went into developing the 80-to-100 number.

Mr. VISCLOSKY. Relative to the overall budget, because, obviously, you have a huge procurement program that is underway with the joint strike fighter, you have got the tanker replacement,

combat rescue helicopters, trainers, JSTARS, AWACS. The estimate on the bomber has been fairly static at \$550 million. And I don't want to be skeptical but I would be for purpose of an answer. What is the degree of certainty that that is going to be the range per plane going forward with all of the other stress as far as the procurement budget?

Ms. JAMES. Well, we are very committed. And we have kind of learned some lessons from the not-too-distant past about what happens when you don't keep stressing affordability, affordability, affordability. But to echo something that the chief said, this is a unit flyaway cost which is dependent on a certain quantity that is bought. So, you know, between that 80 to 100 is the quantity we are projecting. If suddenly the system were to be curtailed and we would only buy 30 aircraft, that unit cost would go through the roof.

Now, like with all units costs, that doesn't necessarily include all the costs. It doesn't include the sustaining costs and all the other costs that go into it. But that is, you know, the way that we measure these different weapon systems is by that unit cost.

Mr. VISCLOSKY. Thank you, Mr. Chairman.

General WELSH. Sir, can I make one last comment on that?

Mr. FRELINGHUYSEN [presiding]. Yes, please, General Welsh.

General WELSH. If we don't replace the bomber fleet eventually, by 2035 to 2040, we will have 16 B-2s or we will have a 100-year-old airplane flying by the middle of the century with a B-52. That makes absolutely no sense, Congressman, none.

Mr. VISCLOSKY. Thank you, Mr. Chairman.

B-61 LIFE EXTENSION PROGRAM

Mr. FRELINGHUYSEN. The Air Force is on the cusp of flight-testing a new tail kit assembly for our nuclear fleet. Can you talk a little bit in general terms about that? I know the issue has always been the ability to integrate the bomb into whatever the aircraft is. Can you talk a little about that? It is not exactly inexpensive.

General WELSH. No, Chairman, it is not. This is actually a joint program between the Department of Defense and the Department of Energy in support of a U.S. Strategic Command and a NATO requirement. We currently have four different variants of the B-61 bomb that has been around, as you know, for a long time. We are consolidating the two parts of the program, our Life Extension Program for the B-61 that will consolidate those four into a single variant that we have for common use. And then the tail assembly is a U.S. Air Force development program under the Department of Defense to try and give more precision capability to the actual nuclear delivery which U.S. Strategic Command (STRATCOM) hopes it will allow them to use different operational approaches in that mission set.

The testing is ongoing now. The program is on track. We don't know of any major issues with it at this time. We have been doing tail kits on bombs here for a while very successfully. And so I think this program, unless something really unusual happens, will probably proceed apace.

Mr. FRELINGHUYSEN. It is one of those expenses that is out there. And it is obviously—the whole issue of historic nuclear deterrent is something which we still need to consider and embrace. On the F-22, I was always a supporter of the Raptor. I haven't heard much about it, although there was something in some of the newspapers that it has been, some of those planes have been active recently. Tell me where it is in the overall scheme of things. There again, a lot of planes promised and then not that many delivered. How many do we have at the moment? How many are actually, you know, ready to fly?

General WELSH. Yes, sir. We have about 120 operational F-22s. We have 187 total. So the training enterprise, the test infrastructure uses the rest of them. Typically about two-thirds of a fleet will be operational. That is the way it is with the F-22. They are actually flying regularly now in Iraq and Syria, particularly flying into Syria. We use the F-22 now in ways that we have never been able to use an airplane before.

Mr. FRELINGHUYSEN. Satisfy my curiosity: For the time and investment we made in Iraq and Afghanistan, the Raptor was surprisingly absent from the battlefield. Why is it such a key component now when before it was not?

General WELSH. The threat architectures in Iraq and Afghanistan didn't require the F-22 quite simply.

Mr. FRELINGHUYSEN. They do now?

General WELSH. Well, in Syria, they have a very capable air defense system. They have an integrated air defense system over portions of the country. When we are flying sorties into that area of the country, we like to have the F-22 airborne in case that system activates.

Mr. FRELINGHUYSEN. Let's hope it doesn't activate. But it is good for the public to know why. They certainly have a pretty capable system unless it has been degraded in some way. Ms. Kaptur.

Ms. KAPTUR. Thank you, Mr. Chairman. Again, thank you both for your testimony today. General Welsh, I have a request, in the counsels that you keep, if there is any way that you can be a voice for the Ukrainian military and their ability to receive telecommunications equipment so they don't constantly face the threat of the Russians jamming their inadequate communications system. I really think it is necessary. And perhaps you will be in a place where you can make a difference.

General WELSH. Thank you.

Ms. KAPTUR. Also I wonder, General Welsh, if you or the secretary could provide for the record comparative U.S. Air capability versus other countries as a part of your testimony today, in terms of personnel, their readiness, and also equipment, and the amount of money spent by various nations. That would be very valuable for us for comparative purposes. Is that possible?

Ms. JAMES. Yes.

[The information follows:]

Russia and China continue to place significant importance on airpower to mitigate US aerospace and regional air superiority. Both countries have expressed an intent to not only achieve parity with the US Air Force, but to surpass it in some notable areas (such as in advanced fighter aircraft). The Russian Forces Air Force's military modernization goal is centered on the 2020 State Armament Plan and places emphasis on new aircraft such as the fifth-generation PAK-FA fighter and long-range PAK-DA strategic bomber. Additionally, Moscow is manufacturing newer, more accurate long-range munitions, including air-launched land-attack cruise missiles. Modernization for China's Peoples Liberation Army's Air Force (PLAAF) is progressing at a steady pace, with the goal to improve the service's capability to conduct offensive and defensive operations, such as strike, power projection and early warning and reconnaissance. Key areas of importance include continued production of fourth-generation multirole aircraft (i.e., J-10), development of the fifth-generation J-20 fighter and production of new bombers (i.e., H-6K) to increase PLAAF strike capabilities. While Moscow and Beijing have made progress in some key areas, limited numbers of special mission aircraft (AWACS and tankers), will remain near-term obstacles to modernization/force protection.

Ms. KAPTUR. Thank you. I also wanted to go back and say, Secretary James, you have particular background in Guard and Reserve affairs. I really can't stress enough how important I think that is as we look to the future and we look at what these incredible Americans do all over the world and to look at the pressure that is on us in terms of budget, and to really think hard about how to better integrate those cost savings units into our operations. They are not second class. And they do a great job. And they save a lot of money. And I have never seen, in my entire career, a real comprehensive look at how those capabilities can help us do the job but also save money. It is always sort of an add-on or an attachment or is cordoned off here. But you really have particular insight there. I would just ask you to apply it. And I know you will.

ENERGY INDEPENDENCE

Finally, on the energy front, you have referenced that in your remarks today, Madame Secretary. And I am very interested in America's energy independence. Other members are interested in her energy security. I am interested in that too. This past year was the first year we produced more oil domestically than we imported. Over the last decade, American has hemorrhaged \$2.3 trillion in what we have spent on importing fuels into this country. So could you tell me, as the largest user of energy in the Department of Defense, what your strategy is to reduce your energy footprint. You have referenced that. What can you provide for the record to show us the progress that you are making in that regard?

Ms. JAMES. And we will provide you a more fuller explanation for the record. But I will tell you that in terms of energy consumption, we spend billions of dollars on our energy. And sometimes that is for operational reasons, for example, the jet fuel that we consume. And sometimes it is for our base operating support, the types of energy that drive our military bases around the country and around the world. So we have initiatives in both regards.

I will just throw one out for you, one that is providing some hope for the future and that is the area of renewable energy. So one of the problems on the battlefield is when we are trying to transport petroleum or gasoline from Point A to Point B, number one, that is a logistics challenge; and number two, the people who are doing it can become a target because to take out that logistics type of a transport is something that enemies would wish to do. So to ex-

plore how we can do more renewable types of approaches, even including on a battlefield, is something that we are exploring more. Again, we will get you a more fuller explanation for the record.

[The information follows:]

The Air Force is changing the way we fly to increase our aviation efficiency; and we're building more energy-efficient facilities across the Air Force. When we increase the energy efficiency, flexibility, and diversity, we improve our energy resiliency, surety, and continuity. And every gallon of fuel and watt of electricity we save allows us to focus more funds on other mission priorities.

Overall, aviation fuel represents about 85 percent of our energy consumption, and we are focused on improving our aviation energy productivity. Between fiscal year (FY) 2011 and FY 2014, our mobility air forces (MAF), led by Air Mobility Command, has increased the cargo tons moves on a gallon of fuel by 3.4 percent, while decreasing associated costs by 3.3 percent. This is the result of both materiel and non-materiel changes to our aircraft and flying operations. As part of this effort, MAF has implemented 12 low cost/no cost policy initiatives since 2007, which are expected to save 7.3 million gallons (\$40.9 million) in FY 2015. These initiatives include:

- Reducing KC-135 zero fuel: by allowing more fuel to be utilized in the tanks, the zero fuel weight – the amount of fuel considered unusable – has been lowered from 8,800 lbs. to 5,900 lbs., and recently lowered again to 4,400 lbs. (expected to save 1.7 million gallons/\$6.27 million in FY 2015)
- Category 1 fuel requirements: with technological advances and current on-board navigation systems requirements, an additional reserve fuel for time spent over water to account for inaccurate navigation systems is unnecessary. Eliminating the requirement (and associated excess weight) saves an estimate 0.64 million gallons annually.

At our facilities, the Air Force has improved its energy intensity by 22.3 percent since FY 2003. The Air Force is focused on 3rd party financing to improve our facility energy intensity and increase our sources of on-site renewable energy.

- At Wright-Patterson Air Force Base in Ohio, the Air Force transformed a 1934 building once used for structural and mechanical testing, into a state-of-the-art facility where the physics of warfighters' power and thermal systems are being explored. By installing brand-new mechanical systems, the Air Force reduced the energy use by 31 percent compared to the previous outdated building.
- The Air Force is partnering with the Massachusetts Department of Energy Resources to conduct state-funded energy audits on military installations in Massachusetts, including overall energy use; potential for renewable energy; and the possibility of microgrid integration.

As a result of these audits, Massachusetts provided funding for several energy improvements at Air Force installations in Massachusetts, including \$1.1 million for the installation of high efficiency natural gas boilers and upgrades to the central energy management system at Otis Air National Guard's 102nd Intelligence Wing at Joint Base Cape Cod.

The Air Force is looking to improve its energy security and diversify its energy supply through increased use of renewable energy, primarily through third party investments. At the end of FY 2014, the Air Force has 293 renewable energy projects on 97 sites, either installed, in operation, or under construction. In February 2014, the Air Force held a ribbon cutting for the 16.4 megawatt solar array at Davis-Monthan Air Force Base in Arizona, which, at the time, was the largest solar array in the Department of Defense (DoD). It provides more than 40 percent of Davis-Monthan's electrical requirement and is expected to save the base up to \$500,000 a year. And in March 2015, the Air Force broke ground last month on a 19 megawatt array at Nellis Air Force Base in Nevada, which will become the largest in the DoD. This system also increases Nellis Air Force Base's energy security posture, as under the lease agreement, the Air Force will receive a secondary substation and a transmission line as an in-kind consideration to the Government for the lease. If the grid goes down, the substation provides the ability for the base to directly consume the energy generated by the Nellis Air Force Base array.

Ms. KAPTUR. Can tell me what is the highest individual tasked at the Air Force to think about the entire Department and energy?

Ms. JAMES. Ms. Miranda Ballentine. She is the Assistant Secretary of the Air Force for Installations, Environment, and Energy.

Mr. FRELINGHUYSEN. Invite Ms. Kaptur out to Nellis too. I think we are fully self-sufficient out there.

Ms. KAPTUR. Well, Mr. Chairman, you know my interest in this issue. So I also would ask for the record a listing of those research projects done at our Air Force Research Labs—obviously I am from Ohio, so we got Wright-Pat—how Air Force perceives the research pathway forward and what your major projects are in helping America restore her own independence on the energy front.

Mr. FRELINGHUYSEN. If you could get that for the record for Ms. Kaptur. Mr. Womack.

[The information follows:]

Project Name	Description
Data Driven Applications Systems	Optimizing efficiency through computational data decisions with regard to which data to absorb, when it should be absorbed, and how it should be absorbed
Novel Power and Energy Efficient Systems	Determine if carbon nanostructures may lead to the discovery of highly efficient photovoltaics, thermoelectrics, and new super conductors
Energy Harvesting and Solar Cells Technology	Develop "self-powered" load-bearing structures with integrated energy harvest/storage capabilities, and to establish new multi-functional design rules
Novel Power Generation in Space	Develop highly efficient >40% solar cells
Fuel Chemistry and Combustion M&S	To develop detailed and reduced mechanisms for the combustion of surrogates of petroleum fuels
Novel Power and Energy Efficient Systems	Develop carbon nanostructures for new logic gates, highly efficient photovoltaics, thermoelectrics, and fuel cells
2700 Deg F SiC-SiC Composites for Hot Turbines	Develop and predict behavior and life of SiC/SiC ceramic disk composites for ADVENT and HEETE engine demonstrators
Flexible Materials & Devices	Develop new materials and architectures for advanced energy and power devices
Next Generation Turbine Engine Disk	Demonstrate improved alloys, process and life prediction methods for engine disks
Integrated Computational Methods for Composite Materials	Accelerate materials design/development/test cycle for energy efficient aircraft design
Highly Efficient Embedded Turbine Engine (HEETE)	Develop fuel efficient large fan/jet propulsion technologies supporting extreme endurance and range
Adaptive Engine Technology Development (AETD)	Mature ADVENT technologies and accelerate EMD with preliminary design and risk reduction
Efficient Small Scale Propulsion (ESSP)	Develop 10X propulsion capability for small engines that increase thrust to weight and decrease specific fuel consumption

Project Name	Description
Integrated Vehicle Energy Tech (INVENT)	Develop an integrated suite of efficient, mission adaptive, robust electrical and thermal management systems to reduce aircraft energy demand
Fuel Assessment and Evaluation	Evaluate advanced fuels for performance, environmental impact and system operations
Advanced Space Power Technologies	Develop solar cells for space power generation that are 33% - 37% efficient
Legacy Fleet Energy Efficiency	Demonstrate improved alloys, process and life prediction methods for engine disks. Drag reduction and efficiency technologies to improve the efficiency and capabilities of legacy fleet aircraft. The primary focus is on mobility aircraft as they are the largest consumers of fuel. Develop fuel burn reduction technologies for the legacy and future fleets.
Light Weight and Advanced Composite Structures	Demonstrate light weight composite structures to reduce weight, manufacturing cost and are air worthiness certifiable
Learning management tech. for distributed mission operations and live virtual and constructive operations	Develop and demonstrate interactive toolset for live virtual training
Advanced Multi-Junction Solar Cell Producibility	Accelerate manufacturing producibility of >33% efficient solar cells
Robust and Secure Systems	Attack resistant and energy efficient processor
Agile Intelligent Systems	Energy efficient, multifunction processing
Composite Certification	Develop, apply, and demonstrate methodology for verifying the reliability of composite structures as predicted to allow a more widespread use of composite structures to future systems such as Future Air Dominance and Next Generation Mobility.
Surfing Aircraft Vortices for Energy (SAVE) Formation Flight Advanced Technology	This Advanced Technology Demonstration will build upon the Surfing Aircraft Vortices for Energy (SAVE) flight demonstration conducted on the C-17 Block 18 aircraft.
Next Generation Mobility	Next Generation Mobility advanced structures technology maturation. The objective of this program is to develop and mature advanced lightweight and adaptive structures technologies for Next Generation Tanker and Next Generation Transport concepts.
Power Management and Distribution Product Area	Technologies for robust, reliable, efficient power management and distribution
Aircraft Energy Storage Product Area	Technologies for safe, compact, high-power energy storage for small UAS to large aircraft
Aircraft Thermal Systems Product Area	Technologies to improve thermal acquisition, transport and rejection

Project Name	Description
Electro-Mechanical Power Systems Product Area	Technologies to improve the size, weight, and energy efficiency of electro-mechanical energy transfer processes
Computational Engineering	Technologies, tools, and techniques for the system-level modeling of aircraft power and thermal management

SPACE LAUNCH

Mr. WOMACK. I know we are in our second vote and time is going to run out so I will be very brief. I have one other question, I want to go back into space for just a minute. There has been a lot of talk here this morning about the RD-180, so the engine issue has been discussed at length here. But also, I want to go back to the certification of another launch provider. And you said in the Senate Appropriations Committee earlier this week that you expected certification to come, I guess, this year, even though that is moved to the right.

And I am a huge believer in competition. And I think that will lower overall costs, no question about that. But I have some concerns about national security payloads, as we introduce them to this discussion and as the certification of a new provider kind of inches to the right, what ramifications that has for some of our payloads that we don't talk about too much through open sources. Can you fill me in?

Ms. JAMES. So let me begin by saying I absolutely agree with what you said about competition and we are trying to get down that path as quickly as possible. Because, as you said, we need it for our national security, and we believe it will deliver us additional cost savings. With that said, we want to do it safely. We want to make sure that we continue what has been a spectacular record, I think, of 79 or 80 successful launches. And that is important because these are precious payloads. They are expensive. They have major national security implications. So we want both, we want competition, cost savings, and we want mission assurance. So we are trying to walk through this as quickly as possible. It shouldn't be too much longer until we certify that new entrant that we have been discussing. And you may have, you may know, sir, or you may not, but I have actually also asked for an independent review of our certification process to see, now that we have 18 months of it under our belt, are there lessons learned, are there ways that we can streamline, speed it up, because, of course, there will be other new entrants coming down the pike as well.

Mr. WOMACK. Given the importance of the west coast launch capability, is it feasible that there would be a new launch provider certified that may not have the record, if you will, of west coast capacity launch capability? Is that possible that that certification could come without that?

Ms. JAMES. Well, of course, the company that is closest to certification is SpaceX. And they certainly have done launches from the west coast if I am not mistaken. So I am not sure if that answers your question. But SpaceX is the one that is getting very, very close.

Mr. WOMACK. Okay. I am going to go vote. I yield back.

Mr. FRELINGHUYSEN. Madam Secretary, General Welsh, thank you for being here with us. We have spent a lot of good time. We have learned a lot. Good luck to you. Thank you for your close work with us in the coming weeks and months to get us across the finish line. We stand adjourned.

[CLERK'S NOTE.—Questions submitted by Mr. Cole and the answers thereto follow:]

LAUNCH CAPABILITIES

Question. As you know, Congress authorized and appropriated \$220 million dollars for the development by 2019 of a rocket propulsion system to replace the Russian launch engine on Atlas V the money was not provided for the development of a new launch vehicle—why does the Air Force want to discard the Atlas V? It is clear we need a new engine, but where is the requirement that the nation needs a new launch vehicle?

Answer. The nation's requirement is for a launch capability to place national security space (NSS) payloads into the required orbits. While the Air Force is very satisfied with the Atlas V performance and 100 percent success rate, it is committed to moving away from the RD-180 engine, which is at the heart of the Atlas V.

The Department's ultimate goal is two domestic, commercially viable launch service providers able to support the entire NSS manifest. However, simply replacing the RD-180 with a new engine is not the answer, as we ultimately need a launch system and rocket engines are not a drop-in type of solution. We essentially build the rocket around the engine to address systemic technical challenges.

Question. I am told that there are companies capable of developing a state of the art engine that could replace the Russian engine with minimal changes to the Atlas vehicle. If these solutions are out there, why is the Air Force still sitting on \$220 million dollars now nearly half-way through fiscal year 2015?

Answer. An engine development alone does not improve assured access to space. Significant launch vehicle development is required to use it, even if an engine is designed as a replacement. In anticipation of a fiscal year 2015 congressional add to get an early start on the solution, the appropriations and authorization bills were signed in December 2014, the Air Force Space and Missile Systems Center issued a request for information (RFI) on August 20, 2014 addressed to launch system and engine providers. A second RFI was released to selected providers on February 18, 2015 and formal requests for proposal are expected in the next few months. Please note that if the Air Force establishes a requirement for an engine to minimize changes to the existing Atlas V launch vehicle, this would provide United Launch Alliance an advantage in competing for national security space missions, and ignore potential innovative, less costly alternatives to meet our launch requirements.

We are applying \$60 million of the fiscal year 2015 funds to on-going combustion stability projects and combustion tools development at Stennis Space Center and the Air Force Research Laboratory. These tasks all support hydrocarbon boost technical maturation, the key enabling technologies for the development of an engine. We plan to release requests for proposal in summer 2015 to execute the remaining \$160 million. Those plans are being finalized now.

[CLERK'S NOTE.—End of questions submitted by Mr. Cole. Questions submitted by Mr. Aderholt and the answers thereto follow:]

RD-180 USE ON ATLAS V

Question. To follow up on the questions of some of my colleagues, I want to ask several questions about the engines used for the EELV program. I am strongly in support of developing a new engine, but I also want to ask about the status of near-term competitions. In the process of creating opportunities for competition, we must ensure that we do not temporarily create an even less competitive situation, and ensure that we do not endanger the ability to get our national security payloads launched on schedule. It is unrealistic to expect a rocket the size of the Delta IV to compete with the smaller Falcon 9. Is it the understanding of you and the Air Force legal team that the language of the FY2015 NDAA bill allows RD-180 engines to be the Atlas V engine as part of the contract competition for Phase 1A? If the answer is no, is the Air Force asking for a legal fix through bill language?

Answer. Yes. However, due to the way the language is written, ULA does not have enough qualifying engines to cover requirements for Phase 1A and subsequent Phase 2 competitions. ULA may choose not to compete for Phase 1A missions which would leave SpaceX as the only bidder. A modification in the language would allow additional engines to be utilized and promote competition for Phase 1A missions.

Question. Other than an extension of the date in the NDAA regarding use of the RD-180, please provide the bill language you believe would allow an RD-180 powered Atlas V to compete in Phase 1A of the EELV contract competition.

Answer. The department is submitting a legislative proposal for the fiscal year 2016 President's Budget request that will in DoD's view, expand the number of RD-180 rocket engines that the Department of Defense could certify for ULA's use in future EELV competitions or sole source awards when a new entrant into the EELV program is not capable of performing that particular EELV mission. It should be

noted that even with this change in statute, the amount of RD-180 engines available to ULA for use on the EELV program would remain limited, but it would give ULA additional time to transition to a different rocket engine.

Question. If the Delta IV is not used to compete against the Falcon 9, are there enough RD-180's in the country for the Atlas V to compete in Phase 1A?

Answer. As the Section 1608 language currently stands, there are not enough qualified RD-180 engines available to cover Phase 1A requirements. Another significant concern is readiness for Phase 2. Without the RD-180/Atlas V or the single core Delta IV (which ULA has stated they plan to phase out), Phase 2 will need to address a potential supplier shortfall, which poses significant risk to assured access to space.

DUAL LAUNCH PAYLOADS

Question. Given the need to explore all ideas which would perhaps cut launch costs, please provide information on how many payloads might be eligible in the next 6 to ten years as a dual-launch payload. I understand there is potential savings in this idea when two satellites are to be placed in the same orbit.

Answer. Up to 10 GPS III payloads could potentially be dual launched in the next 6 to 10 years based on the fiscal year 2016 President's Budget request Buy Profile. However, while GPS III has been considered for possible dual launch to save money when two launches are required in the same year, the Air Force currently has no requirement or funding for GPS III dual launch capability.

LAUNCH COMPETITION

Question. Why is the Air Force not moving to immediately create a competition for designing an engine which meets these requirements?

Answer. The Air Force immediately moved out on technology maturation and risk reduction activity with NASA's Advanced Booster Engineering Demonstration and Risk Reduction and the Air Force Research Lab's Hydrocarbon Boost existing programs. The Air Force released a request for information last fall and released a follow up request for information in February 2015 to engine and launch providers to assess business case approaches and willingness to enter into public-private partnerships. We plan to release a request for proposal this spring based on feedback from the February request for information. Competition is important in this endeavor and we intend to leverage the marketplace to produce a new cost-effective engine.

BUDGET FOR NEW LAUNCH CAPABILITY

Question. The President's budget request for the Evolved Expendable Launch Vehicle RDTE, AF for FY16 requests \$84 million in a budget sub-line titled, "Next Generation Liquid Rocket Engine". After 2016, the planned funding goes down to \$60 million in FY17 and then \$50 million in 18, 19, and 20.

Funding profile FY15-20:

FY15—\$220M (provided entirely by Congress)

FY16—\$84.4M

FY17—\$59.5M

FY18—\$49.6M

FY19—\$49.6M

FY20—\$49.6M

The budget document notes a total of \$512.7 million for development of a new engine. 43 percent of that comes in FY15, as the result of last year's Congressional action that added \$220 million to begin a rocket engine development program. Secretary James, I am concerned that the proposed funding profile for Fiscal Years 2016 through 2020 is insufficient to have a domestically-sourced engine by 2019. I look at these numbers for out-year funding and by all accounts from industry it is about half the expected cost. We could spend the correct amount, create a strict set of milestones, and have an engine available to multiple companies, or we can spend \$500 million on a diluted, subsidy type of plan and end up with a handful of partially completed propulsion systems.

If the Air Force is serious about complying with the Congressional mandate to have an engine certified flying by 2019, how does this multi-year budget request get us there?

Answer. The figures you mention above were our best estimates available at the time. We plan to release a request for proposal this spring based on feedback from the February request for information. The information obtained from these request will help determine the budget needed to complete the effort and will inform the fiscal year 2017 President's Budget request.

RISK REDUCTION CONTRACTS

Question. Do your plans for Fiscal Year 2014 and Fiscal Year 2015 spending utilize the two existing risk reduction engineering contracts which have already been competed as assigned to reach the goal of a new engine?

Answer. Yes. NASA's Advanced Booster Engineering Demonstration and Risk Reduction and Air Force Research Lab's Hydrocarbon Boost contracts are being utilized for risk reduction activities with fiscal year 2014 and 2015 funding. The data and analysis from these activities will be available to all interested domestic engine providers.

CONTROL OF INTELLECTUAL PROPERTY

Question. Secretary James, I am concerned about the state of our liquid rocket engine industrial base. It is safe to say that in the past several decades, the Russians perfected the combustion cycle in their liquid-fueled engines, and Americans perfected the less efficient gas generator type of liquid fueled engines. Meanwhile, methane-based rockets have been in the news, but they are not new. Propulsion engineers have largely rejected them since the necessarily large size of the rocket eventually cancels out any advantage in the lifting of large payloads. Methane rockets would also require millions of dollars in new launch infrastructure work. The Chinese are testing an engine similar to the Russian one, and India is also starting development. I think these are additional, important reasons for us to have a liquid-fueled rocket engine which is domestically produced, with intellectual property managed by the government and thus available always to American launch vehicle companies.

Given the importance of space launch engines for national security, shouldn't the government control the intellectual property surrounding their development? Under the current acquisition model—I don't believe that is the case.

Answer. In accordance with Department of Defense guidance, the program manager is required to establish and maintain an intellectual property strategy that identifies and manages the full spectrum of intellectual property and related issues (e.g., technical data and computer software deliverables, patented technologies, and appropriate license rights) from the inception of a program and throughout the life cycle.

The Commercial Space Launch Act requires that launch services be procured as a commercial service. Therefore, the Government acquires intellectual property rights at the appropriate level needed for low risk mission assurance.

SPACE ACQUISITION

Question. In your view does the current Air Force model for space acquisition stimulate or inhibit innovation and development of modern advanced space launch engines?

Answer. Stimulates. Strategies are being developed for future launch services in a partnership with government and industry, using industry innovation to provide commercially viable launch systems that can also meet National Security Space requirements.

LAUNCH CAPABILITIES

Question. I think I am correct when I say that when the Air Force acquires a new aircraft, the Air Force procures that engine through a competitive process and provides it to the interested aircraft manufacturers. And that if we are developing a nuclear submarine, the Navy buys the reactor through a competitive process separate from the shipbuilder contracts. There is competition both in the design and procuring of the engine, but also in the opportunity for companies to submit vehicles to use those engines. And the engine itself is procured in a way that protects the taxpayers investment.

Why are we not protecting our launch capabilities and the taxpayer investment by using the same development and procurement process for National Security Space launch?

Answer. The Commercial Space Act requires that space launches be procured as a commercial service. As such, the Air Force does not own or operate the launch vehicle hardware but instead, buys it like a transportation service with appropriate technical oversight.

RD-180 REPLACEMENT

Question. How does the time frame and costs for multiple certifications (multiple companies' engines and launch vehicles, i.e., the engine + the rocket) compare to the possible certification time and cost of an engine which could be offered as government IP and designed to work as a replacement for the RD-180?

Answer. Since certification is done with the launch service provider, the most time efficient method would be to engage with the service provider at the earliest opportunity in their design. A service provider waiting for a government furnished engine is likely to be faced with a longer schedule. The start of their design activities must wait for government deliveries and approvals before they begin, since they would not be able to engage directly in the design of the engine and make launch system design trade-offs.

[CLERK'S NOTE.—End of questions submitted by Mr. Aderholt. Questions submitted by Mr. Israel and the answers thereto follow:]

OPERATION INHERENT RESOLVE

Question. What level of physical threat does ISIL currently pose to your Airmen conducting operations in Iraq? What is your desired end-state for Operation Inherent Resolve? Have you been given the resources to achieve this end-state and to keep your Airmen safe?

Answer. Air Force aircrews operating against ISIL in Syria and Iraq accept the same risk faced by all Servicemen and woman operating in hostile environments. Those Airmen deployed in Iraq are largely operating from established bases, relatively safe from direct fire. Attacks have occurred, but are uncoordinated and sporadic. Air Force and Joint Security Forces personnel have been successful in mitigating and neutralizing these threats to our personnel through superior training and equipment, supported by manned aircraft and remotely piloted vehicles for base defense.

The Air Force is working diligently to train and equip Airmen carrying out U.S. Air Forces Central Command (AFCENT) and U.S. Central Command (CENTCOM) missions in support of our Iraqi partners in degrading and eventually destroying ISIL. Additionally, in coordination with AFCENT and the Department of State, the Air Force enables both Title 10 and Title 22 missions for building a strong, enduring international air coalition and building partnership capacity in support of CENTCOM's focus on multilateral solutions to regional security concerns. The Air Force continues to resource and prioritize AFCENT and CENTCOM requirements to degrade and destroy ISIL while assuming additional risks in other regions and mission sets.

Question. The budget request includes significant increases for certain munitions—split between the base and OCO accounts. What is driving these increases for these munitions?

Answer. The increases in munitions for fiscal year 2016 support an increase in demand for training, readiness, and combatant commander requirements. The Hellfire missile and Joint Direct Attack Munition quantities specifically, increased by \$534.6 million and \$330.7 million (base and Overseas Contingency Operations funding). This is a direct result of low inventory quantities compounded by increased usage in support of OPERATION Freedom's Sentinel and OPERATION Inherent Resolve.

In addition, production quantities for other munitions such as Joint Air-to-Surface Standoff Missile, Small Diameter Bomb, AIM-9 Sidewinder and AIM-120 Advanced Medium Range Air to Air Missile are higher than previous budget submissions to recover inventories to proper readiness levels.

Question. We've been told a significant number of U.S. munitions have been transferred to allies or partners because the FMS process is too slow for the increased demand, so some of this request is to restore what we have given away. To what extent has this issue reduced the Air Force's inventory?

Answer. Munitions sales to coalition partners have thus far been moderate. Foreign military sales requests are expected to increase as coalition partners come back for "round two" during OPERATION Inherent Resolve, and new cases are developed in support of operations in Yemen. While those sales by themselves are not a major impact to Air Force munitions stockpile, combined with past, current, and projected Air Force combat expenditures, the munitions stockpile has decreased.

IRAN/NUCLEAR DETERRENCE

Question. Given the current threat environment, does the U.S. have a credible nuclear deterrence strategy?

Answer. Yes. The President's National Security Strategy and Nuclear Weapons Employment Strategy direct the Department of Defense to maintain credible and effective nuclear forces capable of meeting the full range of U.S. deterrence and assurance commitments. Both our current force structure and the New START Treaty-compliant force structure the U.S. is transitioning to are fully aligned with and support this strategy.

Question. What message would reducing our nuclear arsenal send to Iran and other bad actors throughout the globe?

Answer. Consistent with U.S. National Security Policy, the Department of Defense (DOD) maintains nuclear forces capable of meeting the full range of deterrence and assurance commitments that are vital to our security and that of our allies and partners. Both the U.S.'s current nuclear force structure and the New START Treaty-compliant force structure DOD is transitioning to are fully aligned with and support this strategy. This capable, survivable, and balanced force preserves strategic stability and remains a highly credible and effective deterrent to potential adversaries who seek to threaten the U.S. or our allies and partners.

Question. I believe that we should have an "all options on the table" approach when dealing with Iran. How confident are you that you can gain and maintain air superiority against Iran, if required? How do current BCA levels affect that capability?

Answer. In any contingency scenario involving aggressive air action against the U.S. or our interests, we will likely be forced to redistribute deployed Air Force forces due to the limited amount of available force structure. In the process of addressing an emerging threat, we would increase the risk to missions and forces in the areas that would be vacated. BCA-level funding will exacerbate the readiness challenges we already face.

LONG RANGE STRIKE-BOMBER

Question. What are the LRS-B program objectives compared to the current bomber fleet?

Answer. The program's objectives are to provide operational flexibility for Joint commanders through long range, significant payload and survivability while allowing the option to hold any target at risk at any point on the globe. With a broad geographic coverage, LRS-B can operate deep and from long range, allowing it to penetrate modern air defenses to accomplish objectives despite adversary anti-denial/anti-access (A2/AD) measures. Even with updates, the current bomber fleets are increasingly at risk to modern air defenses. Additionally, LRS-B will have a wide mix of stand-off and direct attack munitions and be built with the features and components necessary for the nuclear mission to ensure nuclear certification 2 years after conventional initial operating capability. The LRS-B will also enable adaptability that allows the system to evolve as threats change and mature. Finally, the LRS-B program is leveraging 30+ years of developing, operating and sustaining highly advanced, stealthy aircraft.

Question. Will the LRS-B give us the capability to destroy adversary hard sites that include nuclear facilities? If you can't answer this in writing, I would appreciate hearing about this in a classified setting.

Answer. The LRS-B capability provides the President with the option to hold any target at risk at any point on the globe. Additionally, the aircraft's long range, significant payload and survivability provide operational flexibility for Joint commanders. We can provide more details in a classified setting, if you wish.

[CLERK'S NOTE.—End of questions submitted by Mr. Israel. Questions submitted by Mr. Ruppertsberger and the answers thereto follow:]

LONG RANGE STRIKE-BOMBER

Question. Can you discuss the complementary nature of these stealth bombers and their roles in the evolving family of systems? Specifically, can you address—though I acknowledge the topic is somewhat sensitive—how a new long range strike bomber will add to the Air Force's arsenal?

Answer. Our current bomber fleet is an aging but capable force. However, our adversaries understand the advantage stealth gives us and have been working on ways to diminish that advantage. Consequently the fleet will become more suscep-

tible as our adversaries improve their anti-access capabilities. To enhance our global power projection capabilities across the full spectrum of conflict, the Air Force requires a new generation of stealthy, long-range strike aircraft that can operate at great distances, carry substantial payloads, and operate in and around contested airspace. The Long-Range Strike Bomber (LRS-B) is intended to provide this needed capability.

Until the aircraft becomes operational, we will continue working diligently to maintain our technological and capability edge with the current fleet. Since delivery of the last B-2 stealth aircraft in 1997, we have made significant strides in all areas of combat aircraft technologies and are leveraging those improvements in the development of the LRS-B.

[CLERK’S NOTE.—End of questions submitted by Mr. Ruppersberger. Questions submitted by Mr. Frelinghuysen and the answers thereto follow:]

NUCLEAR ENTERPRISE

Question. The Air Force’s budget request includes new resources for the nuclear mission, some of which is devoted to sustaining and improving the existing force, and some of which is devoted to modernization, such as the Ground Based Strategic Deterrent and the Long Range Standoff programs. How would the Air Force prioritize nuclear enterprise funding under the funding levels of the Budget Control Act?

Answer. This is the U.S. Air Force’s prioritized requirements for the nuclear enterprise. The “Increase” column represents the most critical and prioritized elements of the nuclear enterprise made in the fiscal year 2016 President’s Budget request.

Program (# in millions)	Increase	FY16 PB
ICBM Force Improvement Plan	65	2,600
Ground-based Strategic Deterrent (Incl Solid Rocket Motor)	58	75
ICBM Fuze Modernization	62	156
Air-Launched Cruise Missile Modernization	22	28
B-2 Common Low-Frequency Receiver Inc. ¹	16	61
ICBM Transport Security (UH-1, Payload Transporter Replacement)	16	20
B-2 Defense Management System Modernization	46	272
Nuclear Command, Control and Communications Modernization ¹	13	13
ICBM Airborne Launch Control System	43	59
Military Construction (Weapons Storage Facility, FE Warren, WY)	95	95
	\$436	\$3,379

¹Inclds Strategic Air Command Automated C2 System, Low Frequency Cable

A-10 AND CLOSE AIR SUPPORT

Question. The Air Force has emphasized that close air support (CAS) is a mission, not a platform. How will the Air Force ensure that CAS remains a priority for training and investment as you shift more of the CAS mission from the A-10 to multi-role fighters and bombers which need to fulfill a broad spectrum of mission areas?

Answer. We have an unparalleled track record of supporting ground forces through a variety of capabilities we bring to the joint fight. The last U.S. soldiers killed by enemy air-to-surface fire were lost in 1953—safety from air attack is a direct result of our unrivaled ability to establish and maintain air superiority. Similarly, CAS has been a vital Air Force mission since before our inception in 1947. It’s ingrained in our doctrine and training, and is—just like air superiority—part of who we are.

We’ve made solid investments in CAS capability with investments such as Advanced Targeting Pods for B-1 bombers, Laser-guided JDAMs, and low collateral damage bomb bodies such as the BLU-129, as well as our advancements in CAS tactics, techniques and procedures, and integration across Services and between our ground and air forces. Another example is the recent Air Force Chief of Staff-sponsored Joint Future CAS Focus Day on March 6, 2015. Three Joint working groups comprised of CAS experts from the U.S. Air Force, Army, Navy, Marine Corps, Joint Staff and other defense agencies spent over a week researching and preparing to answer the questions, “What is the current CAS state of affairs?,” “Is there a gap?,” and “What do we do next?” Results and recommendations from these working groups were very well received across our sister services, were out-briefed to the

four Service Chiefs, and approved by General Welsh for action. The approved recommendations address key issues such as identifying investment requirements, identifying CAS training priorities, changing Department of Defense culture to address CAS as a mission vice platform, and exploring methods to specifically maintain the CAS culture.

We would be happy to brief you or your staff at any time as we implement recommendations from our Joint Future CAS Focus Day and as we continue protecting the Soldiers, Sailors, Airmen and Marines engaged in ground operations.

Question. Some have suggested that the Air Force should not retire the A-10 until a dedicated CAS replacement aircraft is identified. Does the Air Force have any plans to initiate an analysis of alternatives to consider such an aircraft?

Answer. We do not have enough funding in our projected topline to start a new program for a close-air support replacement aircraft, so we have no plans to conduct an analysis of alternatives at this time. We are examining potential options to mitigate any possible shortfalls in the close air support mission until the F-35A becomes operational. Until that time, the current combination of fighters and bombers will continue to fulfill all combatant commander requirements in this area.

GLOBAL HAWK, U-2, AND HIGH ALTITUDE ISR

Question. The Committee understands that the Air Force has finalized an updated Capability Production Document for the Global Hawk Block 30. What capabilities does the Air Force need for Block 30, and how much money and time will it require to achieve those capabilities?

Answer. The capability production document for RQ-4 Block 30 was signed on November 20, 2014 and documented the “as built” capability. The fiscal year 2015 President’s Budget request and 2014 Consolidated Appropriations Act restored RQ-4 Block 30 aircraft and funded all the modernization activities necessary to keep the entire RQ-4 fleet viable throughout the envisioned life cycle. The fiscal year 2016 President’s Budget request maintains the modernization posture that includes several key efforts: ground segment modernization, communications system modernization, ASIP Increment 1, enhanced weather capability, and sensor modularity. The current projected cost is approximately \$1.2 billion over the next 8 years. Additional Block 30 modernization efforts may be required before U-2 divestiture in fiscal year 2019 and will be detailed to Congress in the High Altitude ISR Transition Plan.

Question. Even with the Air Force’s extension of the U-2 fleet to 2019, a solution needs to be found with regard to the Optical Bar Camera carried by the U-2 and the specific missions it is used for. Does the Air Force still plan to integrate the OBC with the Block 30, or has some other solution been identified?

Answer. The Air Force is currently exploring options to maintain a broad area imagery capability as part of the High Altitude ISR Transition Plan. The Consolidated Appropriations Act of 2014 funded a study on the potential adaptation of U-2 sensors to the RQ-4 Block 30. Phase 1 concluded that it is feasible to adapt the U-2’s Optical Bar Camera onto the RQ-4B. The Secretary of the Air Force will deliver feasibility details to Congress this summer in fulfillment of fiscal year 2015 congressional direction. The Air Force and Undersecretary of Defense for Intelligence are reviewing all options to determine the best system for integration.

Question. The Air Force’s fiscal year 2015 budget request pulled investment funding for the U-2 because of the plan to retire the fleet in 2016. Now that the Air Force has extended the U-2 fleet to 2019, some of that funding has been restored. How much funding has been returned to the budget for U-2 operations and investments? What does the investment funding provide?

Answer. The Air Force has restored a total of \$143.7 million across the Future Years Defense Plan (FYDP) in U-2 investment funding in the Air Force fiscal year 2016 President’s Budget request: \$60.3 million in Air Force Research, Development, Test and Evaluation funding and \$83.4 million in Air Force Procurement. Additionally, \$1.2 billion in Operation and Maintenance funding and \$333 million in Military Personnel funding was restored across the FYDP.

These funds support ongoing peacetime and combat operations with the U-2 ISR system to sustain the current configuration and capability as required by the National Defense Authorization Act and 10 U.S.C. § 2244a. Programs include the Pylon Equipment Group beyond line of sight tech refresh, AN/ALQ-221 electronic warfare system low band processor update, SENIOR YEAR electro-optical reconnaissance 2C integration, multi-program Deep Look Advanced Synthetic Aperture Radar System development, and safety of flight systems.

Question. The Air Force plans to reach Initial Operating Capability (IOC) for the F-35 as early as August 2016 and no later than December 2016. Do you have a more specific date for IOC at this point?

Answer. We do not yet have a specific date on which we expect the Commander of Air Combat Command to declare initial operational capability, but the program is tracking to the August through December 2016 timeframe. We will have more certainty as the program continues to progress in development and flight test through 2015.

Question. The Air Force has defined IOC for the F-35A as 12 to 24 aircraft able to conduct limited air-to-air and air-to-ground missions along with certain logistical and other support elements in place. Do you believe that at IOC the Air Force will have a meaningful F-35A combat capability that you would be willing to deploy?

Answer. The Air Force is confident that the F-35A will have sufficient and meaningful combat capability at the time of initial operational capability (IOC). As the Air Force's F-35A decision authority, the Commander of Air Combat Command has established the set of capability criteria he will use to determine whether to declare the F-35A fleet "IOC". These criteria include weapons inventory and mission system capability to conduct the specified mission sets of close air support, interdiction, and limited suppression/destruction of enemy air defenses. IOC-status for the F-35A fleet will not be established until these criteria are satisfactorily completed.

Question. A media report in December 2014 ("Newest U.S. Stealth Fighter '10 Years Behind' Older Jets", Dailybeast.com) cited an unnamed Air Force official affiliated with the F-35 program declaring that the F-35 will be 10 years behind legacy fighters largely due to the aircraft's electro-optical targeting system, which was described by yet another Air Force official as a big step backwards. The author of this report apparently was able to find yet more anonymous Air Force personnel who openly disparaged the F-35's gun, its flight performance, and the prime contractor. It is disturbing to see this many Air Force representatives lambasting one of the Air Force's top modernization programs, even if they lack conviction to do so in their own names. What is your response to this report?

Answer. Overall, the F-35 program is executing well across the entire spectrum of acquisition, to include development and design, flight test, production, fielding, and sustainment. While the Daily Beast article does accurately highlight some of the ways electro-optical targeting system (EOTS) baseline capabilities lag currently fielded external targeting pods, maintaining the baseline F-35 development requirements as new targeting pod capability was evolved was an informed decision by the Services and partners to minimize the overall development risk of the broader F-35 program. The EOTS does incorporate significant air-to-air infrared search and track capabilities that do not exist in air-to-surface optimized targeting pods. Upgrading and improving the second generation targeting pod capabilities of the F-35 EOTS to leverage the significant investment in targeting pod capabilities over the past decade is planned for the F-35 in Block 4 follow-on development. In Block 4, the EOTS will be upgraded to current third generation capability based on Service and partner warfighting priorities.

LONG RANGE STRIKE-BOMBER

Question. Many people find it hard to believe that the Air Force can produce the new Long Range Strike-Bomber for \$550 million or less in per-unit production costs, and they can point to history to justify their skepticism. The B-2 program originally envisioned 132 aircraft; we ended up with 21, in large measure due to the fact that each B-2 cost about \$1.5 billion in 2010 dollars (the same benchmark used by the Air Force for the \$550 million figure). The Air Force says that it has learned lessons from past procurement programs that will help keep the LRS-B cost under control. In your view, what went wrong with the B-2 program in terms of cost control?

Answer. The B-2 production costs were primarily driven by three contributing factors. First, the quantity was decreased from 133 aircraft to 21. Based on the 1998 GAO report (GAO/NSIAD 98-152), the program in 1986 expected to produce 133 aircraft at an average procurement unit cost (APUC) of \$329 million (in then-year dollars). By 1998 the planned buy was reduced to 21 aircraft at an APUC of \$933 million (1996 SAR actuals were closer to an APUC of \$1.1 billion for 15 aircraft). Second, state-of-the-art technology contributed to cost. The B-2 pushed the state-of-the-art in mission systems, low observable configuration, and manufacturing processes. Finally, there was significant concurrency between development and production generating additional costs in engineering change orders and aircraft modifications.

With regard to the LRS-B, the Air Force has set affordable, achievable, and realistic requirements balanced by cost considerations that have been stable for years.

The program has minimized new development to allow for the integration of mature technologies and existing systems to reduce risk. Informed design trades were made to meet the unit cost target to ensure sufficient production and a sustainable inventory over the long term. The APUC target is \$550 million in base year 2010 dollars to provide a constant requirement and is applicable to 100 aircraft procurement.

MQ-9 REAPER

Question. Former Secretary of Defense Gates established the 65 Combat Air Patrol (CAP) objective in 2010. The Committee understands that this has driven the requirements of the MQ-9 procurement program. Please explain what this CAP goal requires in terms of aircraft, and how this in turn drives the size of the objective Reaper fleet.

Answer. The 2010 requirement of 65 MQ-9 CAPs required 401 aircraft. This number equates to enough aircraft to meet combat, training, test, back-up inventory and attrition reserve requirements.

The fiscal year 2014 Defense Appropriations Act MQ-9 program of record was 65 combat air patrols. This was changed in the fiscal year 2015 Defense Appropriations Act to 55 combat air patrols requiring 346 aircraft. The fiscal year 2016 President's Budget request requests 60 combat air patrols requiring an increase to 364 aircraft.

Question. At one time the Air Force's MQ-9 fleet objective was over 400 aircraft. Last year, it was reduced to a little over 340. In this year's budget the number is increased to 361. Do you consider your MQ-9 fleet objective to be settled?

Answer. No. The Air Force is unable to provide a final aircraft procurement total without a validated requirement for a finite number of combat air patrols (CAPs). Outside agencies have influenced the final CAP count over the last three budget cycles. All indications are that this CAP volatility will continue for the foreseeable future.

NEXT GENERATION AIR DOMINANCE

Question. "The Air Force's budget request for fiscal year 2016 includes \$8.8 million to continue the Next Generation Air Dominance (NGAD) program begun last year. The Department of Defense also has announced an Aerospace Innovation Initiative (AII), described by the Under Secretary for Acquisition, Technology, and Logistics as "a new DARPA led program in partnership with the Navy and Air Force, intended to develop technologies and address the risks associated with the air dominance platforms that will follow the F-35". What is your understanding of the AII and how will this initiative interact with NGAD?

Answer. The Undersecretary of Defense for Acquisition, Technology, and Logistics initiated the Aerospace Innovation Initiative (AII) to ensure that the United States can maintain air dominance in future contested environments. AII will develop and demonstrate technologies enabling cost-effective air warfare capabilities necessary to defeat future near-peer threats. AII builds on the earlier Defense Advanced Research Projects Agency-led/Air Force/Navy Air Dominance Initiative (ADI) that determined that no single new technology or platform could deter evolving adversary systems.

Next Generation Air Dominance will leverage the developed and demonstrated AII capabilities that enhance persistence, survivability, lethality and connectivity in 2030 and beyond. Primarily through the Air Force Air Superiority 2030 Enterprise Capability Collaboration Team, NGAD will interact directly with AII as an essential complement to program efforts to pursue potential game-changing technologies and capabilities needed to maintain U.S. strategic advantage in air superiority.

AGGRESSOR TRAINING REQUIREMENTS

Question. Budget constraints and recent Air Force actions such as the deactivation of the 65th Aggressor Squadron raise concerns about the Air Force's ability to provide adequate "red air" training for pilots to achieve full-spectrum readiness. The Committee understands that the Air Force has taken some steps to consider the use of commercial air services to provide such training. Please provide a status report on the consideration of such services and the Air Force's intentions in this regard.

Answer. The Air Force is considering commercial air services as a part of the solution to our current shortfall in aggressor capacity. Meanwhile, the F-16 Aggressors from the 64th Aggressor Squadron will continue to provide professional dedicated aggressor flying and academic support from Nellis Air Force Base. Air Combat Command has been leading a working group investigating solutions to the Nellis Air Force Base Adversary Air (ADAIR) deficit in the absence of the 65th Aggressor

Squadron. The Air Combat Command Director of Operations is considering a potential trial to better ascertain the costs and benefits of a short-term ADAIR contract.

[CLERK'S NOTE.—End of questions submitted by Mr. Frelinghuysen.]

TUESDAY, MARCH 3, 2015.

U.S. AFRICA COMMAND

WITNESS

GENERAL DAVID M. RODRIGUEZ, USA, COMMANDER, U.S. AFRICA COMMAND

OPENING STATEMENT OF CHAIRMAN FRELINGHUYSEN

Mr. FRELINGHUYSEN. The committee will come to order.

From the onset, I would like to recognize the ranking member, Mr. Visclosky, for a motion.

Mr. VISCLOSKY. Mr. Chairman, I move that those portions of the hearing today which involve classified material be held in executive session because of the classification of the material to be discussed.

Mr. FRELINGHUYSEN. So ordered.

Thank you, Mr. Visclosky.

It could be a rather short hearing this morning.

And, General Rodriguez, thank you for being here. Members will come in as they are available. I explained to you that there are quite a lot of chairs and ranking members on this committee. But you have an important command, and we look forward to hearing from you.

This morning, the subcommittee conducts a closed hearing on the posture of the United States Africa Command, a full-spectrum combatant command responsible for all of the defense operations, exercises, and security cooperation on the African continent and surrounding waters.

The command is important, primarily due to the growing presence of Al Qaeda, ISIL, and other terrorist organizations among the command's area of responsibility of 53 nations. The reality is that the African continent has become the new haven for extremism, presenting significant opportunities and challenges, including those associated with military-to-military relationships.

Regional instability within AFRICOM, combined with the expanded responsibilities for protecting U.S. personnel and facilities, have increased operational requirements.

Today, we are pleased to welcome General David Rodriguez, AFRICOM Commander, a military leader with a very impressive understanding of his AOR.

General, thank you for testifying again before our committee.

Of course, the committee is concerned that certain African countries offer readymade havens for terrorist training and recruitment activity during a time in which our way of life has been threatened by those with radical beliefs. The area within your command is a prime target for terrorist activity because of its vastness and the large number of countries, many of which are ungovernable, dysfunctional, or have all of the above plus unmonitored borders.

General, as you know, we face a truly challenging fiscal environment, but we must make sure that the budget we pass provides you with the tools and trained personnel you rely on to do your job. We look forward to getting your thoughts today on how we might best do that.

We look forward to your testimony, but, first, I would like to call on my ranking member, Mr. Visclosky, for any comments he may wish to make.

Mr. VISCLOSKY. Chairman, I appreciate you bringing us together today.

And, General, I appreciate your service and look forward to your testimony. Thank you very much.

General RODRIGUEZ. Thank you.

Mr. FRELINGHUYSEN. General, welcome, on behalf of the committee. And we have your summarized statement, and that will be put—we have your entire statement. That will be put in the record, and appreciate any comments you care to give to the committee.

General RODRIGUEZ. Okay, sir.

Chairman Frelinghuysen and Ranking Member Visclosky, distinguished members of the committee, thank you for this opportunity to update you on the efforts of United States Africa Command.

First, let me express my gratitude to you for your unfailing support to our servicemembers and their families. Their service and sacrifice underwrite our Nation's security in an increasingly complex world of accelerating change.

Today, our Nation faces heightened strategic uncertainty. Strategic and military risks are significant and increasing. Evolving threats include the expansion of the Islamic State of Iraq and the Levant, a resilient Al

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[CLERK'S NOTE.—The complete transcript of the hearing could not be printed due to the classification of the material discussed.]

[The written statement of General Rodriguez follows:]

STATEMENT OF
GENERAL DAVID M. RODRIGUEZ, USA,
COMMANDER, UNITED STATES AFRICA COMMAND
BEFORE THE HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE
3 MARCH 2015

UNITED STATES AFRICA COMMAND 2015 POSTURE STATEMENT**INTRODUCTION**

Chairman, Ranking Member, distinguished members of the Committee, thank you for this opportunity to update you on the efforts of United States Africa Command. Africa continues to present a broad spectrum of opportunities and challenges to the United States and our allies and partners. U.S. Africa Command is working closely with allies and partners to build relationships and capacity vital to advancing our national interests of security, prosperity, international order, and the promotion of universal values. American interests in Africa Command's 53-country area of responsibility include the prevention of terrorist attacks against U.S. interests, security of the global economic system, and protection of our citizens abroad. In addition, Africa's growing importance to allies and emerging powers presents opportunities to reinforce U.S. global security objectives through our engagement on the continent.

African states and regional organizations are important partners in addressing security challenges, including terrorist and criminal networks that link Africa with Europe, the Middle East, Southeast Asia, and North and South America. Africa's role in the global economic system is expanding: the continent is surrounded by international shipping lanes and holds eight of the world's 15 fastest growing economies. Africa is rich in natural resources and the human capital represented by a large youth population. Forty-one percent of Africans are under the age of 15, and by 2050, roughly one in four people on the planet will live in Africa. The capacity of African partners to contribute to multinational efforts, including those aimed at preventing, mitigating, and resolving armed conflict, is increasing. Many countries have made progress in developing institutions that uphold the rule of law, as reflected by adherence to the law of war

and respect for human rights. However, in many countries, weak leadership and corruption continue to constrain progress in governance, security, and development.

The past year was a dynamic time for Africa Command and our partners. Together, we made progress in several areas. In East Africa, our regional partners continued to lead security efforts in Somalia and demonstrated greater effectiveness and coordination in operations against al-Qa`ida affiliate al-Shabaab. By supporting the continued development of partner capacities, and through enabling assistance and selective unilateral operations, we enhanced the collective gains our partners made against al-Shabaab. As a result of improved security, the Somali people and government have greater opportunities to make progress in the development of governance and economic institutions.

In North and West Africa, we expanded our collaboration with allies and partners to address growing threats in Libya, Mali, and Nigeria, including an increasingly cohesive network of al-Qa`ida affiliates and adherents, a growing Islamic State of Iraq and the Levant presence, and Boko Haram. We built capacity and enabled our allies and partners to disrupt transnational terrorist and criminal networks, strengthen border security, and contribute to multinational peacekeeping operations. We also ensured that cooperative security locations on the continent are able to support the temporary staging of crisis response forces to protect U.S. personnel and facilities. When deteriorating security conditions in Libya led several countries to suspend embassy operations, we supported the U.S. State Department in ensuring the safe departure of American and allied personnel. We captured suspected terrorists in support of efforts to bring justice to the perpetrators of violence against American citizens and interests. Although security declines in Libya have limited bilateral military activities, we have improved our coordination with regional and international partners and are prepared to expand our bilateral engagement

when conditions are more conducive to building the capacities of defense institutions and forces. In Nigeria, we are conducting a range of bilateral efforts and preparing to expand our engagement as security and partner capacity allow. Simultaneously, we are working with Nigeria, neighboring countries, and our international partners to improve the planning and coordination of efforts to counter Boko Haram.

In Liberia, we supported the Liberian government and U.S. Agency for International Development (USAID) in addressing the complex humanitarian emergency associated with the largest Ebola epidemic in history. Our combined efforts with Liberian partners helped to save lives and potentially avert a global health crisis. Nearly 3,000 Department of Defense personnel, including civilians and contractors, deployed to Operation UNITED ASSISTANCE last fall. Under the superb leadership of Major General Williams and U.S. Army Africa, followed by Major General Volesky and the 101st Airborne (Air Assault), Joint Force Command – United Assistance provided unique capabilities in coordination and communication, logistics, engineering, and health worker training. The speed and flexibility of the U.S. military response was enhanced by U.S. Transportation Command's flexible joint expeditionary capabilities in planning, communications, public affairs, and port opening, and the presence of U.S. European Command and Africa Command forces forward-positioned in Europe. The U.S. military demonstrated flexibility and capability to assist when others could not, and ensured critical initial gaps were filled while civilian partners ramped up their capabilities. The deployment of U.S. forces helped boost the confidence and courage of others to join the effort, and served as a catalyst for the robust international response required to turn the tide of the epidemic. Joint Force Command – United Assistance transitioned military tasks to civilian partners as they attained sufficient capacity. We are tailoring remaining Joint Force Command capabilities and

Africa Command security cooperation efforts to build additional capacity and ensure our regional partners are prepared to respond to potential future outbreaks.

Africa Command's operational requirements to support efforts in East, North, and West Africa and the protection of U.S. personnel and facilities across the continent increased in the past year. In Fiscal Year 2014, we conducted 68 operations, 11 major joint exercises, and 595 security cooperation activities. In comparison, we conducted 55 operations, 10 major joint exercises, and 481 security cooperation activities in Fiscal Year 2013. With our requirements expanding faster than resources are increasing, we are utilizing innovative and creative ways to mitigate capability gaps, including sharing forces with other Combatant Commands and leveraging the capabilities of multinational and interagency partners.

MISSION STATEMENT

U.S. Africa Command, with national and international partners, disrupts transnational threats, protects U.S. personnel and facilities, prevents and mitigates conflict, and builds defense capabilities in order to promote regional stability and prosperity.

CURRENT TRENDS

Africa's security environment remains dynamic and uncertain. Africa is rising and so are the expectations of Africans. While greater popular demands can accelerate needed political and economic reforms, they can also be destabilizing, particularly in fragile states. Across much of the continent, crime and corruption impede the development of democratic institutions, reduce security and stability, and constrain economic development. A number of autocratic regimes are failing to meet the growing expectations of their people. Corrupt leadership, persistent economic inequalities, swelling youth populations, expanding urbanization, and ready access to technology can fuel popular discontent and violent civil unrest. When populations cannot rely on the ballot

box for accountable governance, they are more likely to resort to violence. Where governance is weak and steeped in corruption, the government and security forces can be as feared and distrusted by the population as criminal and terrorist organizations.

Corruption is a universal challenge that encourages the complicity of public servants in criminal and terrorist activities and destroys public trust in decision-making systems. To help our African partners address corruption, we must carefully tailor the conditions for military assistance. Where corruption permeates military institutions, its consequences can be deadly. When resources are diverted from military pay and sustainment, forces are less capable and more vulnerable on the battlefield. They are less effective at protecting civilians and may resort to predatory behavior. Corruption is corrosive to the foundation of trust and mutual responsibility on which enduring partnerships must be built.

Terrorist, insurgent, and criminal groups exploit corruption, regional instability, and popular grievances to mobilize people and resources, expand their networks, and establish safe havens. The nexus between crime and terror is growing on the continent as terrorists and criminals increasingly utilize the same illicit pathways to move people, money, weapons, and other resources. The network of al-Qa'ida and its affiliates and adherents continues to exploit Africa's under-governed regions and porous borders to train and conduct attacks. The Islamic State of Iraq and the Levant is expanding its presence in North Africa. Terrorists with allegiances to multiple groups are expanding their collaboration in recruitment, financing, training, and operations, both within Africa and transregionally. Violent extremist organizations are utilizing increasingly sophisticated improvised explosive devices, and casualties from these weapons in Africa increased by approximately 40 percent in 2014. These groups have also

successfully adapted to the internet and social media, and leverage these tools to generate funds, recruit followers, and spread their ideology to the United States and around the world.

In East Africa, al-Shabaab remains the primary security threat to U.S. interests, despite progress by regional partners in liberating parts of southern and central Somalia from the group's control. The effectiveness of the African Union Mission in Somalia continues to increase. The security situation in Mogadishu is improving gradually and several countries, including the United Kingdom, resumed or expanded embassy operations in Somalia last year. Weakened by the African Union Mission in Somalia's recent offensive, al-Shabaab has modified its operational structure and tactics to increase the reach of its attacks into troop-contributing countries. This underscores the importance of both continuing to improve the effectiveness of the African Union Mission in Somalia, as well as taking a regional approach that counters al-Shabaab's expanding operational reach.

In North and West Africa, Libyan and Nigerian insecurity increasingly threaten U.S. interests. In spite of multinational security efforts, terrorist and criminal networks are gaining strength and interoperability. Al-Qaida in the Lands of the Islamic Maghreb, Ansar al-Sharia, al-Murabitun, Boko Haram, the Islamic State of Iraq and the Levant, and other violent extremist organizations are exploiting weak governance, corrupt leadership, and porous borders across the Sahel and Maghreb to train and move fighters and distribute resources.

Libya-based threats to U.S. interests are growing. If left unchecked, I believe they have the highest potential among security challenges on the continent to increase risks to U.S. and European strategic interests in the next two years and beyond. Libyan governance, security, and economic stability deteriorated significantly in the past year. Competition between the House of Representatives and General National Congress, each backed by various militias, has fueled

conflict over resources and power. Some North African and Gulf states have complicated the situation by supporting military operations within Libya. Today, armed groups control large areas of territory in Libya and operate with impunity. Libya appears to be emerging as a safe haven where terrorists, including al-Qa'ida and Islamic State of Iraq and the Levant-affiliated groups, can train and rebuild with impunity. The Islamic State of Iraq and the Levant is increasingly active in Libya, including in Derna, Benghazi, Tripoli, and Sebha.

Libyan leaders have yet to demobilize militias, create a sense of national identity, build judicial capacity, and develop state security institutions and forces representative of the population. Instead, they have opted to contract militia groups for security. Despite political commitments and coordination between the United Nations, North Atlantic Treaty Organization, European Union, United States, United Kingdom, Italy, Turkey, Morocco, and other partners to support security sector development, the Libyan government's weak capacity has prevented the execution of many initiatives.

The spillover effects of instability in Libya and northern Mali increase risks to U.S. interests in Europe, the Middle East, and Africa, including the success of Tunisia's democratic transition. Tunisia held its first democratic elections last year and is the only Arab Spring country that remains on a positive trajectory. Libya's insecurity has created a regional humanitarian crisis and has enabled increased foreign fighter, migrant, and drug flows that threaten the stability of North Africa, Europe's southern flank, and the greater Mediterranean basin. Weapons and fighters exported from Libya have increased the capacity of criminal and terrorist organizations in North and West Africa. Several thousand foreign fighters have traveled from North Africa to Syria and Iraq, often via southeast Europe, and some are beginning to return with increased training and experience.

The security situation in Nigeria also declined in the past year. Boko Haram threatens the functioning of a government that is challenged to maintain its people's trust and to provide security and other basic services. In recent months, Nigeria has faced a confluence of stresses: an escalation in terrorist attacks, economic stresses exacerbated by falling oil revenues, and political –tension associated with highly contested national elections. Boko Haram has launched attacks across Nigeria's borders into Cameroon, Chad, and Niger. Lake Chad Basin states are now expanding their cooperation in efforts to counter Boko Haram, including by beginning to develop a Multinational Joint Task Force.

In Liberia, the government and military have demonstrated their ability to lead through crisis. The military was called to assist in responding to the Ebola epidemic and responded with pride and professionalism, reflecting leadership at all levels and the positive effects of U.S. engagement. The Liberian military was demobilized and rebuilt from the ground up following 14 years of civil war, and the United States has supported this effort with sustained investment in developing the capacities of Liberian defense institutions and forces. In addition to assisting in containing the Ebola epidemic, the Liberian army's efforts strengthened the trust between the government, military, and people of Liberia; bolstered the army's institutional and operational capacities; and deepened the enduring partnership between Liberia and the United States.

In the Gulf of Guinea, the international community is increasing its cooperation to address maritime security challenges, including piracy and armed robbery at sea; trafficking in drugs, arms, and persons; and illegal, unreported, and unregulated fishing. African, European, and South American navies, as well as representatives from the private sector, are increasing their participation in combined maritime exercises in the Gulf of Guinea. Despite modest

progress in strengthening regional maritime security capacities and cooperation, maritime crime continues to hinder trade, development, and food security.

Central Africa remains fragile and vulnerable to humanitarian disasters. The Lord's Resistance Army, an armed group that emerged in northern Uganda in the late 1980s, has a small presence in border areas of the Central African Republic, Sudan, South Sudan, and Democratic Republic of the Congo. Over the course of its history, the group committed atrocities against tens of thousands of civilians and displaced hundreds of thousands of civilians. Military operations and the efforts of civilian agencies and non-governmental organizations have resulted in the capture or surrender of senior Lord's Resistance Army leaders, facilitated defections, and increased civilian early warning networks. Four of the top five Lord's Resistance Army leaders have been apprehended or removed from the battlefield. Today, the Lord's Resistance Army no longer threatens regional stability and its ability to harm civilian populations has been reduced significantly. The group continues to prey upon scattered and isolated local communities for survival and is resorting to wildlife poaching as a primary source of revenue.

United Nations, European Union, and French forces contributed to modest improvements in security in the Central African Republic, where conditions stabilized sufficiently to warrant resuming operations of the U.S. Embassy in Bangui. However, both the Central African Republic and Democratic Republic of the Congo are at risk of further destabilization by insurgent groups, and simmering ethnic tensions in the Great Lakes region have the potential to boil over violently in the Democratic Republic of the Congo. Small elements of the Armed Forces of the Democratic Republic of the Congo are making gradual progress in professional development and institutional reform, and played constructive roles in addressing insecurity in the Central African Republic and countering the Lord's Resistance Army last year.

Southern Africa remains relatively stable. The region fields some of the most professional and capable military forces on the continent and is a net exporter of security. In the past year, South Africa, Angola, and Tanzania contributed to regional and continental security, including through participation in United Nations peacekeeping operations in the Central African Republic and Democratic Republic of the Congo. Despite its relative stability, the region faces economic and social challenges that include poverty, crime, and social inequality. Future leadership challenges in countries such as Zimbabwe will increase the risk of regional instability.

APPROACH

Africa Command works closely with allies and partners to share information, reinforce shared priorities for democratic governance and security, address immediate threats, and respond to crisis. We are strengthening our relationships with other elements of the U.S. government to improve our ability to align strategies, leverage and support multinational and interagency partners, and ensure we effectively support comprehensive U.S. government efforts led by U.S. Ambassadors. We work closely with other combatant commands, especially U.S. European Command, Central Command, Special Operations Command, and Transportation Command, and Strategic Command's sub-unified Cyber Command, to plan collaboratively and share capabilities when appropriate. The trust and teamwork we build with partners are vital to the success of our collective efforts.

Africa Command's primary tools for implementing our strategy are **posture, presence, programs, exercises, engagements, and operations.**

Our strategic **posture** is the platform for our presence, programs, exercises, engagements, and operations on the continent. Our posture is designed to maximize operational flexibility and

agility, and is primarily comprised of expeditionary cooperative security locations and contingency locations.

The single enduring element of our **posture** and **presence** in Africa is a forward operating site at Camp Lemonnier in Djibouti, which provides a critical platform for the activities of multiple combatant commands. Camp Lemonnier and expeditionary facilities hosted by African nations support the activities of U.S., allied, and partner forces. This strategic posture was enhanced by the signing of an Implementing Arrangement in May 2014 that secures our presence in Djibouti through 2044. Posture and presence in Europe also provide vital support to our mission, and include a joint intelligence analysis support center in the United Kingdom and crisis response forces stationed in Spain, Germany, Italy, and the United Kingdom to enable rapid deployment to the African continent.

Our **presence** in Africa and Europe includes Defense Attaché Offices and Offices of Security Cooperation in U.S. Embassies in Africa. Offices of Security Cooperation in the Africa Command area of responsibility increased from nine in Fiscal Year 2007 to 33 in 2014. We will add a 34th office, in Malawi, this year. Our presence also includes a combined joint task force at Camp Lemonnier and five component commands in Europe, some of which are shared with U.S. European Command. We also have small advisory teams embedded in allied and partner strategic, operational, and tactical headquarters. These teams support our programs, exercises, engagements, and operations, and their activities help build mutual trust and confidence and enhance interoperability.

Our **programs** and combined **exercises** assist in the development of partner defense capacities as part of a broader U.S. government effort, and also support the development of the African continental and regional security architecture. We build partner defense capacities in

executive functions, including national military staff functions associated with strategic planning, readiness, and budgeting; generating force functions, such as recruiting, training, equipping, and maintaining infrastructure; and operating force functions necessary to conduct collective training and perform assigned missions. When appropriate, we design combined training and exercises to help maintain, and even enhance, the readiness of U.S. and partner forces.

Our **engagements** play critical roles in strengthening our military-to-military relationships, advancing our mutual interests, and promoting shared values.

We closely coordinate our **operations** with allies, partners, and other combatant commands. Most are planned with and executed by the military forces of our African partners, with the United States in a supporting role. Our operations play a role in building partner capacity, especially when we enable partner operations with our advice and assistance.

LONG-TERM OBJECTIVES

Our long-term objectives are to support the development of partnerships that can help expand the positive influence of nations with the greatest potential to advance good governance, security, and economic growth on the continent. Population size and prospective economic, political, and military power can all contribute to this potential influence. In addition to partnering with potential continental influencers, we work closely with regional influencers – countries that contribute to regional stability, and with whom our pursuit of mutual objectives can reinforce U.S. interests.

Our tools for strengthening partnerships include programs for building defense capacities in executive functions, generating forces, and operating forces. The Department of State's programs, such as International Military Education and Training, Peacekeeping Operations, Foreign Military Financing, and Foreign Military Sales, are particularly important in this regard.

The National Guard Bureau's State Partnership Program provides a unique and vital mechanism for sustaining the long-term engagement critical to building relationships and capacity. I appreciate the Congress's support to new initiatives, such as the Security Governance Initiative, Counter-terrorism Partnership Fund, and Africa Peacekeeping Rapid Response Partnership, which will facilitate more comprehensive U.S. Government security engagement in Africa.

Parallel efforts by civilian agencies to support progress in democracy, governance, and security sector reform are essential to achieving U.S. peace and security objectives, and I appreciate the Congress's support to the Department of State and USAID in these critical areas. Too often, efforts to strengthen progress in democracy, governance, justice, and security in the non-military sphere fail to keep pace with those in the defense sector. Without good governance and the economic development it enables, security gains are rarely sustainable. We continue to support interagency efforts to achieve the more comprehensive approach to security sector assistance envisioned by Presidential Policy Directive 23.

IMMEDIATE PRIORITIES

As we strengthen partnerships with continental and regional influencers, we simultaneously pursue five priorities:

1. Countering Violent Extremism and Enhancing Stability in East Africa

Several years of modest U.S. security assistance in East Africa, including military training and mentoring, have helped our partners gradually strengthen their capacity to conduct peacekeeping operations and counter violent extremist organizations in Somalia. In the past year, with advice and assistance from U.S. forces, African Union forces improved their operational planning, demonstrated increased proficiency on the battlefield, and gained significant territory from al-Shabaab. During Operation INDIAN OCEAN, African Union forces

liberated key terrain from al-Shabaab's control and disrupted the group's training, operations, and revenue generation. The African Union Mission in Somalia, United Nations, and East African partners improved their coordination in planning for offensive and stability operations. U.S. forces also conducted successful unilateral operations against high-value terrorists in Somalia this year, including lethal strikes against al-Shabaab leader Ahmed Abdi Godane and his intelligence chief.

Although al-Shabaab is weaker today than it was a year ago, it remains a persistent threat to regional and western interests, continues to conduct attacks, and is likely to regenerate its operational capacity if given the opportunity. Over the past year, al-Shabaab has either planned or executed increasingly complex and lethal attacks in Somalia, Kenya, Uganda, Djibouti, and Ethiopia aimed at impeding Somalia's political development and discouraging African Union Mission in Somalia troop contributing countries from sustaining security commitments in Somalia. Additional military pressure on al-Shabaab, strengthened governance, and expanded economic opportunity in Somalia will contribute significantly to neutralizing this threat. Off the coast of Somalia, multinational military efforts continue to sustain maritime security improvements achieved over the past few years, and no ships were successfully hijacked by pirates last year.

In the coming year, we will continue to support partner operations against al-Shabaab, facilitate coordination in planning for offensive and stability operations in Somalia, and support maritime security efforts in the region. We will also continue to encourage multinational coordination in efforts to develop the institutional, operational and tactical capacities the Somali National Army will require to assume security responsibilities in the future. The Somali government and people will need to accelerate progress in state formation, preparing for an on-

time constitutional referendum and elections, strengthening institutions, developing a sense of national identity, and building security forces that are representative of the population. The Federal Government of Somalia's ability to hold terrain, govern effectively and democratically, and deliver services to the Somali people will determine its ability to sustain security gains and stabilize the country. We look forward to the establishment, when conditions permit, of a permanent U.S. diplomatic presence in Mogadishu to facilitate more robust political, economic, and security engagement.

2. Countering Violent Extremism and Enhancing Stability in North and West Africa

In North and West Africa, allies and partners are increasing their capacity and collaboration in addressing security threats across the Maghreb, Sahel, and Lake Chad Basin regions. As conditions in Libya declined significantly, Algeria expanded its assistance to neighboring countries, and both Algeria and Tunisia strengthened counter-terrorism and border security efforts. U.S. assistance facilitated the strengthening of regional partnerships and capacity, and we expanded dialogue and collaborative planning.

In the past year, we built partner capacity and enabled allies and partners to disrupt terrorist and criminal threat networks in the Maghreb and Sahel. We supported the State Department in preparing partners for deployment to multilateral peacekeeping operations in Mali, where 11 African countries are contributing troops to the United Nations mission. U.S. forces captured Ahmed Abu Khattala, who is a suspected ringleader in the 2012 attack against U.S. facilities in Benghazi that resulted in the deaths of four Americans, and Abu Anas al-Libi, who was suspected of planning the 1998 bombings of the U.S. Embassies in Kenya and Tanzania.

In the year ahead, we will continue to look for opportunities to constructively influence the situation in Libya. We will work with partners to improve our overall effectiveness in containing the spillover effects of Libyan insecurity; preventing the movement of terrorist fighters, facilitators, and weapons into Libya; and simultaneously disrupting the violent extremist networks within. We are working within existing authorities to address the threat posed by violent extremist groups, including the growing Islamic State of Iraq and the Levant presence in Libya. As required, we will also seek new authorities to ensure that this threat does not grow. Working with U.S. European Command, we will seek to align our efforts to disrupt foreign fighter flows and illicit trafficking between North Africa and Southern Europe with the North Atlantic Treaty Organization's Southern Flank strategy. As conditions improve in Libya, we will be ready to support the development of Libyan defense institutions and forces.

In the past year, allies and partners also increased their cooperation in efforts to address Boko Haram and other regional security challenges emanating from Nigeria. We provided training to and expanded information-sharing with the Nigerian military and other regional partners, such as Cameroon, Chad, and Niger.

In the coming year, we will continue to work with the Nigerian military and will work with allies and partners to support the development of the Lake Chad Basin Multinational Joint Task Force.

3. Protecting U.S. Personnel and Facilities

U.S. Africa Command is responsible for supporting the protection of U.S. personnel and facilities in Africa. Fifteen high-risk, high-threat diplomatic posts are located in the Africa Command area of responsibility. Our response forces consist of U.S. Army and Air Force elements staged in Djibouti and a Marine Corps Special Purpose Marine Air Ground Task Force

and two Fleet Anti-Terrorism Security Teams based in Spain. We also have Special Operations Crisis Response Force elements located in Germany and the United Kingdom. With limited forces and infrastructure, we are working to maximize our adaptability and flexibility to respond effectively to crisis.

In the past year, we improved our ability to temporarily stage response forces closer to hotspots when there are indications and warnings of crisis. We leveraged force-sharing agreements with other Combatant Commands to move personnel and equipment quickly between theaters during crisis response operations. We also made progress in securing resources and agreements to relocate intelligence, surveillance, and reconnaissance assets so they can be utilized more effectively to build our situational understanding and support operations.

Last year, U.S. Africa Command and our components reinforced the security of U.S. Embassies in South Sudan and Libya and supported the departure of U.S., Korean, French, and other allied personnel from Libya. We provided security to enable the resumption of U.S. Embassy operations in the Central African Republic, complementing our enabling support to French forces and to African partners participating in the United Nations Integrated Stabilization Mission in the Central African Republic. In the coming year, we will continue to develop additional expeditionary infrastructure in host nations and work with the Department of State toward a common understanding of decision points for reinforcing embassies, prepositioning response forces, and executing military-assisted departures.

4. Enhancing Stability in the Gulf of Guinea

Regional partners are gradually building their capacity to address maritime security challenges. U.S. programs and combined operations like the Africa Partnership Station and African Maritime Law Enforcement Partnership are supporting this progress. For example, in

January 2015, the Ghanaian Navy interdicted a hijacked tanker and arrested eight pirates, demonstrating capacities we have helped to strengthen through our maritime security initiatives. Naval forces from Africa, Europe, and South America expanded their participation in our regional maritime exercises, and we also increased our collaboration with civilian agencies and the private sector. In the coming year, we will continue to support regional maritime security activities and look for opportunities to complement civilian initiatives that address the root causes of maritime crime by strengthening good governance and promoting economic development.

5. Countering the Lord's Resistance Army

Uganda, the Central African Republic, Democratic Republic of the Congo, and South Sudan are participating in the African Union Regional Task Force against the Lord's Resistance Army and leading military efforts to reduce the group's safe havens, capture key leaders, and promote defections. The African Union Regional Task Force, with advice and assistance from U.S. forces deployed to Operation OBSERVANT COMPASS, made significant progress last year in weakening the Lord's Resistance Army and reducing its ability to threaten civilian populations. Today, fewer than 200 fighters remain, the group no longer threatens regional stability, and local communities have greater capacity to receive defectors and communicate warnings about attacks from armed groups. In the coming year, we will continue to work with our regional partners to tailor our support to reflect their efforts.

ADDRESSING FUTURE REQUIREMENTS AND MITIGATING RISK

Africa Command's capability gaps are likely to grow in the year ahead, primarily as a result of growth in transregional threat networks and the mission to protect U.S. personnel and facilities. Our greatest capability shortfalls will likely remain intelligence support and personnel

recovery. To address future requirements and mitigate risks to our national interests, Africa Command is pursuing the following actions to increase collaboration with partners, enhance operational flexibility, and close key capability gaps:

- Increase collaboration and interoperability with multinational and interagency partners to better leverage and support allies and partners, including by working with policy-makers and the intelligence community to expand information-sharing. Expanding our sharing with multinational entities, in addition to bilateral sharing, will enhance the trust, confidence, and interoperability of partners.
- Refine our posture and presence in Africa and Europe to reduce risk in operations to protect U.S. personnel and facilities.
- In coordination with interagency partners, improve our use of informational tools to counter the spread of violent extremist ideology, including by re-establishing regional information websites and expanding into social media to provide platforms for regional voices to counter violent extremist ideology and influence.
- Leverage combined training and exercises to strengthen interoperability and help maintain the readiness of U.S., allied, and partner forces.
- Employ new operational concepts and flexible, tailorable capabilities, such as the Army's Regionally Aligned Force and the Marine Corps' Special Purpose Marine Air Ground Task Force.
- Increase operational flexibility by expanding force-sharing with other Combatant Commands and agreements with host nations to facilitate access and overflight.
- Work with the Joint Staff and Office of the Secretary of Defense to pursue increased assignment or allocation of forces, register the demand for critical capabilities, and

mitigate gaps in key enablers, such as intelligence, personnel recovery, medical support, and tactical mobility.

- Work with the Joint Staff and Office of the Secretary of Defense to pursue authorities that will increase our ability to implement programs and other activities regionally, which will allow us to respond with greater agility and flexibility to emerging threats and opportunities to advance our interests.

As we look to the future, I anticipate Africa's importance to our national interests of security, prosperity, international order, and the promotion of universal values will continue to grow. We are contributing to progress in regional security through modest and sustained investments in building partner capacity. In some places, the enemy is growing capacity more quickly than our partners. Where our national interests compel us to tip the scales and enhance collective security gains, we may have to do more – either by enabling our allies and partners, or acting unilaterally. Decreasing resources will make this difficult. In addition, the United States and our allies and partners will be increasingly challenged to implement the comprehensive approaches necessary to advance governance, security, and development on the continent. As our Nation's leaders make increasingly difficult decisions about strategic risks and tradeoffs, Africa Command will continue to sharpen our prioritization, align resources to strategy, increase our flexibility, and inform risk management decisions.

Thank you for your continued support to our mission and to the Soldiers, Sailors, Airmen, Marines, Coast Guardsmen, civilians, and contractors advancing our Nation's defense interests in Africa.

WEDNESDAY, MARCH 4, 2015.

FISCAL YEAR 2016 DEPARTMENT OF DEFENSE BUDGET OVERVIEW

WITNESSES

**HON. ASHTON B. CARTER, SECRETARY, DEPARTMENT OF DEFENSE
GENERAL MARTIN DEMPSEY, USA, CHAIRMAN, JOINT CHIEFS OF
STAFF**

**HON. MIKE McCORD, UNDER SECRETARY OF DEFENSE, COMP-
TROLLER**

CHAIRMAN FRELINGHUYSEN OPENING REMARKS

Mr. FRELINGHUYSEN. Good morning. The committee will come to order. We are pleased to welcome the 25th Secretary of Defense, Ashton Carter. This is Mr. Carter's first appearance before our subcommittee as Secretary, although we know him well from his many years of service to our Nation.

We also welcome back General Martin Dempsey. Thank you for your service as 4 years as the head of the Joint Chiefs of Staff. You are over close to, what, 41 years in the U.S. Army, your Jersey City roots and your—obviously your attendance at our premiere—one of our premiere military academies, West Point.

I also welcome Mr. Michael McCord, who is making his first appearance before the subcommittee as the Comptroller of the Department. Gentlemen, welcome.

As you know, our committee has, as always, two principal responsibilities: First, to provide the Department of Defense and the intelligence community with the resources they need to carry out their missions to protect America and our allies.

The second responsibility is to ensure that our men and women in uniform, every one of whom has volunteered to serve, have the resources they need to defend our Nation and support their families.

As we gather here this morning, both of those tasks are becoming more difficult. The threat environment facing America is complicated and more dangerous. The fiscal challenges are worse than ever before. As the Budget Control Act of 2011 remains the law of the land, we find ourselves staring down the barrel of renewed tight budget caps.

Mr. Secretary and General Dempsey, I completely agree that the BCA needs to be modified to avoid dramatic consequences and long-term negative impacts on our military capability. But unless and until the law is changed, this committee has no choice but to draft our bill to comply with the BCA caps, at least \$37 billion below the President's budget request. So we will need to work very closely together to ensure the funding you are appropriated is sufficient to take care of our uniformed and civilian personnel, maintain

your readiness at the highest possible level, and sustain our technological advantages. The decision this committee makes will help set the foundation for America's defense capabilities, not just for fiscal year 2016, but for many years to come.

While there is much public focus and concern on the BCA and the sequester, choices are made or not made by our Commander in Chief every day that have a direct bearing on our defense and intelligence posture and this defense budget. After all, sequester did not create ISIS, that depraved, barbaric force that grew as a result of our premature withdrawal from Iraq. Sequester is not responsible for over 200,000 deaths in Syria, millions of refugees and displaced families throughout the Middle East.

Sequester had nothing to do with the President's State of the Union declaration that the United States is no longer on a war footing. Sequester did not loosen sanctions on Iran and let that nation advance to the brink of a game-changing nuclear weapons capability. Sequester did not prompt Vladimir Putin to annex Crimea and send his troops to fight alongside separatists in eastern Ukraine. Sequester did not lead us to liberate Libya and then turn our back while the country devolved into a dangerous breeding ground for terrorists.

Mr. Secretary, General Dempsey, we look forward to your comments and an informative question-and-answer period. In addition to your assessments of the Middle East and Persian Gulf, the subcommittee also wants to hear your views on the conventional and unconventional threats posed by China, Russia, Iran, North Korea, and nonstate actors, a/k/a terrorists groups, such as ISIL, al Qaeda, al-Shabaab, Boko Haram, and others, and the costs of meeting those challenges.

In closing, Mr. Secretary, we must make certain that in meeting the demands of the fiscal austerity, we do not leave any question about our will and our ability to defend ourselves and our interests around the world. Without objection, your written statements will be introduced, entered into the record. So feel free to summarize your statements this morning. And with that, let me turn to my good friend, Pete Visclosky, the ranking member, for any comments he may wish to make.

OPENING REMARKS OF MR. VISCLOSKY

Mr. VISCLOSKY. Mr. Chairman, thank you very much.

Thank you very much, Mr. Chairman. I do appreciate you holding the hearing. Defense Secretary Carter and Under Secretary McCord, we do look forward to having your testimony before the subcommittee today, the first time in your current roles.

General Dempsey, I do understand, as the chairman alluded to, today may be your last official appearance before the Defense Subcommittee as chairman of the Joint Chiefs. I would point out that your steady leadership has helped the services navigate some very turbulent years, and I and all of us thank you for your dedication and sacrifice both you and your family have made over the last 40 years.

The crux of the challenge facing the subcommittee will undoubtedly be reconciling the Department's fiscal year budget request for 2016 with the significantly lower spending caps established by the

Budget Control Act. While I am sure we will see attempts at finding relief from the constraints of BCA, I do not anticipate a significant change between now and when this bill is marked up, as there appears to be insurmountable obstacles blocking every path forward.

Since it is our role to prepare legislation according to the law as it is today, I believe this subcommittee will be required to mark at a level that is \$33.3 billion below the President's request. In order to accomplish that feat, having open lines of communication between the Department and Congress will be imperative. We need to make difficult and deliberate decisions to prioritize the limited resources available in order to minimize the risk to our Nation and the men and women in uniform.

One area where we may need to find a consensus is the balance between readiness and modernization. It is my opinion, and my opinion alone, that the Department's budget favors modernization over readiness. This is best evidenced by the proposed growth in procurement and research and development versus more modest percentage increases in the accounts that tie directly to the readiness of forces.

Last week we heard from the Navy, Marine Corps, and Air Force leadership regarding their ongoing struggles to recover readiness following the sequestration of 2013. For example, the Secretary of the Air Force, Secretary James, stated more than half of our combat Air Forces, half, are not sufficiently ready for a high-end fight. Further, the service leaders warned that returning to the BCA caps in fiscal year 2016 will only exacerbate the readiness deficit.

Additionally, in the fiscal year 2016 budget request, the Department of Defense again proposes some significant initiatives to stem the growth in personnel-related expenses. These include proposed changes to basic allowances for housing, the commissary benefits, and TRICARE. In past years, with a few exceptions, these proposals have gained very little traction within the Congress. Again, my opinion only, I hope that as more Members of Congress accept the actuality of limited resources, that we will be able, Congress, to seriously consider some of these proposals that you have brought forth, as well as those brought forth by the Military Compensation Retirement Modernization Commission. Congress has a responsibility in this area as well.

Finally, I am pleased that the budget sustains funding for financial audibility improvements. I wholeheartedly support the Department's reaching the 2017 goal for auditable financial statements, a tool that will help manage the finite resources that we have. And, again, gentlemen, I look forward for your testimony. Thank you very much, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Visclosky.

Mrs. Lowey, the ranking member of the full committee.

REMARKS OF MRS. LOWEY

Mrs. LOWEY. Thank you very much, Mr. Chairman. I want to thank Chairman Frelinghuysen and Ranking Member Visclosky for this hearing. Also, I want to join my chairman in welcoming incoming Secretary Carter, General Dempsey, Under Secretary McCord, and the rest of our distinguished guests.

The President's fiscal year 2016 budget submission for the Department of Defense is roughly \$33 billion above the BCA level. Some of my friends on the other side of the aisle have stated their opposition to the funding levels and revenue portions of the budget request. I would respond that after this committee has cut \$1.5 trillion in discretionary spending, excluding sequestration, are we really unwilling to close tax loopholes in order to invest more in transportation, infrastructure, education, job training, biomedical research and other R&D efforts, and the military?

The world is quickly changing, requiring our continued commitment to the defense of this Nation, our allies around the world. Currently, we are fully committed in multiple operations on various continents. However, we struggle to provide funding that reflects this commitment. We face a determined and expanding presence with ISIS, decisions in Ukraine, policy decisions combating cyber threats, and training and assistance missions in Iraq and Afghanistan.

Many of the personnel issues we faced in the past are still a concern to the military. Although sexual assault numbers seem to be improving, the overall problem still exists. We have several recommendations on force structure changes and military compensation reforms to consider. We are still working to prevent suicides, integrate women into combat positions, and obtain a fully interoperable electronic healthcare record system between DOD and the VA.

I must tell you, I know there are major challenges in the world today. But I cannot understand how it has taken this long for DOD and the VA to get together. And as I understand, sir, you are still out. You still haven't selected a system, and why you can't use the same system as the VA is beyond me. The private sector, as I understand it in my conversations with many people, you get a chip, you go onto your next job, your whole record is there. We charge you with the responsibility of fighting wars, yet you can't get together with our own VA system and do it expeditiously.

And, yes, I understand, you are about to make a decision. It has only been a year or more, but members of this committee and this Congress are very frustrated with the fact that this can't proceed more efficiently and expeditiously. The results of these efforts will ensure quality of life for servicemembers and their families, whether they stay in the military or transition to civilian life.

So let me conclude by saying, fiscal uncertainty aside, we owe it to our military, the Nation, and our allies to ensure we prioritize and fund the most critical defense-related budget items. So thank you very much for being here. We look forward to hearing your testimony.

Mr. FRELINGHUYSEN. Thank you, Mrs. Lowey. Before turning the floor over to the Secretary, let me associate myself with your comments on the medical records. Department of Defense is about to embark on a multiyear \$13 billion contract, and I think all of the committee members feel that that contract needs to be integrated with whatever the VA has and is looking forward to investing in itself.

Mr. Secretary, good morning. Thank you for being with us. Congratulations on your new assignment.

SUMMARY STATEMENT OF SECRETARY CARTER

Secretary CARTER. Thank you, Mr. Chairman. And thank you and thank Ranking Member Visclosky for having me here this morning, and thank all the members of the committee for inviting me to be here with you today. While I have had the opportunity to speak with many of you before, this is my first time testifying to this committee as the Secretary of Defense. My care and respect for the men and women of the finest fighting force the world has ever known is as boundless as their skill and dedication. I know this committee shares the same devotion to them and shares responsibility for them and for the defense of our great country. And I hope that my tenure as Secretary of Defense will be marked by partnership with you on their behalf.

I am here to present the President's budget for the Department of Defense for fiscal year 2016. And since I have been in the job for exactly 2 weeks and a day, it is plain that I did not have a role in shaping this budget. But I have studied it carefully, and I am fully prepared to answer your questions about it, and to work with you to find common ground where you have concerns.

Most importantly, I strongly support the President in requesting a defense budget above the artificial caps of the Budget Control Act, that is, above so-called sequester levels. Next year and in the years thereafter, I share the President's desire to find a way forward that upholds the fundamental principles behind the bipartisan Budget Act of 2013. And I support the President's commitment to vetoing any bill that locks in sequestration, because to do otherwise would be both unsafe and wasteful.

Before I turn to the budget to explain what I mean by that, allow me to share some observations from my short time on the job, observations that help reinforce my testimony here. Shortly after I was sworn in, I spoke to the people at the Department of Defense, military, civilian, and contractor, and I told them I had three commitments as Secretary of Defense. The first is to them and their families, to their safety, their welfare and their effectiveness, and equally to those who came before them and will come after them.

The second commitment is to assist the President as he makes difficult choices about how to defend the country in a turbulent world, as the chairman has affirmed, and then to carry out those decisions where they involve the use of military force.

And the third commitment is to the future, to make sure our military remains the very best in an ever changing world, amid fast moving technological and commercial change and, as we seek to attract new generations, to the wonderful mission of national security in our Department.

Because of those commitments, I traveled at the end of my first week on the job to Afghanistan to visit our troops and commanders, and also the leaders of Afghanistan and some of their military leaders. I wanted to assess the conditions on the ground there as we enter a new phase of our long campaign and as we carry out the transition to an enduring presence that will ensure, as the President says, that our progress in Afghanistan sticks.

Next, I traveled to Kuwait, where I met with the Emir before convening with senior American diplomats and military leaders

from throughout the region, ambassadors from several countries, our commanders from Central Command, European Command, Africa Command, and Special Operations Command, and the commanders of the campaign in Iraq and Syria against ISIL. I wanted to hear directly from them about the complex political and military situation in the entire region, and about the best approaches to leveraging U.S. leadership of the broad coalition combating this ugly scourge.

And this morning, I would be pleased to discuss these challenges or any others in addition to the defense budget. But the point is, that in these regions of the world, just as in the Asia-Pacific, in Europe, and elsewhere, it is America's leadership and America's men and women in uniform who stand between disorder and order, who stand up to militias and destabilizing actors while standing with those who believe with us in a more secure, just, and prosperous future for all our children.

But this Congress will determine whether our troops can continue to do so. The administration is proposing to increase the defense budget in line with the projections submitted to Congress last year. By halting the decline in defense spending imposed by the Budget Control Act, the President's budget would give us the resources we need to execute our Nation's defense strategy. But—and I want to be clear about this—under sequestration, which is set to return in 211 days, our Nation will be less secure.

Mr. Chairman, as you and your colleagues have said, sequestration threatens our military readiness—and that was a point that Ranking Member Visclosky made very accurately and pointedly a few moments ago—threatens our military's readiness, the size of our warfighting forces, the capabilities of our air and Naval fleets, and ultimately, the lives of our men and women in uniform. The Joint Chiefs have said the same before the Congress, and they could not have been more clear in their assessment of how sequestration would damage our national security.

The great tragedy is that this corrosive damage to our national security is not the result of objective factors or logic or reason. It is not that we have some new breakthrough in military technology or a novel strategic insight that somehow provides the same security for a smaller budget. It is not that sequester is forced upon us by an economic emergency or a dire recession that makes taking grave security risks absolutely necessary. It is surely not the case that the world has suddenly become more stable or that America has less to do to keep it safe, allowing us to take a peace dividend of some kind. It is not even that these cuts solve the Nation's overall fiscal challenges, because the sad math is that they are large and sudden enough to damage defense, but fail to resolve our long-term fiscal issues and the real drivers of the deficit and debt.

So sequester was not the result of objective factors. Sequester is purely the fallout of political gridlock. Its purpose was to compel prudent compromise on our long-term fiscal challenges, a compromise that never came. This has been compounded in recent years because the Defense Department has suffered a double whammy, the worst of both worlds, that has coupled mindless sequestration with constraints on our ability to reform. We need your help with both.

I know that Chairman Frelinghuysen, Ranking Member Visclosky, and others on this committee are as dedicated to reform as I am. We at the Pentagon can and must do better with getting value for the defense dollar. Taxpayers have trouble comprehending, let alone supporting the defense budget when they hear about cost overruns, insufficient accounting and accountability, needless overhead, excess infrastructure and the like. There are significant savings to be found across DOD, and we are committed to pursuing them.

But at the same time, I must note that in the past several years, painful but necessary reforms proposed by DoD, reforms involving elimination of overhead and unneeded infrastructure, retirement of older force structure, and reasonable adjustments in compensation have been denied by Congress at the same time that sequestration looms. I will work with Congress to resolve concerns and find common ground in these matters, but we must have your support.

Sequester cuts don't help us achieve meaningful reform. In fact, the nature of sequester frequently leads to waste as, for example, when it forces a reduction in contract production rates, driving up unit costs. If confronted with sequestration level budgets and continued obstacles to reform, I do not believe that we can simply keep making incremental cuts while maintaining the same general set of objectives that have anchored our defense strategy. We would have to change the shape and not just the size of our military, significantly affecting parts of our defense strategy. We cannot meet sequester with further half measures.

As Secretary of Defense, I will not send our troops into a fight with outdated equipment, inadequate readiness or ineffective doctrine. But everything else is on the table, including parts of our budget that have long been considered inviolate. This may lead to decisions that no Americans, including Members of Congress, want us to make. Now, I am not afraid to ask the difficult questions, but if we are stuck with sequestration budget cuts over the long-term, our entire Nation will have to live with the answers.

So instead of sequestration, I urge you to embrace the alternative, building the force of the future powerful enough to underwrite our strategy, equipped with boldly new technology, leading in domains like cyber and space, attracting and retaining the best Americans to our mission, being lean and efficient throughout this enterprise, and showing resolve to friends and potential foes alike. I think we can all agree that the world in 2014 was more complicated than anyone could have predicted. Given today's security environment, the President's proposed increase in defense spending over last year's budget is responsible and it is prudent.

I hope we can come together behind a long-term budget approach that dispels sequester and provides stability rather than doing this 1 year at a time. I hope we can again unite behind what our great Nation should and must do to protect our people and make a better world. And I hope we can provide our magnificent men and women of the Department of Defense, who make up the greatest fighting force the world has ever known, what they need and what they fully deserve.

Thank you, Mr. Chairman. I look forward to your questions.
Mr. FRELINGHUYSEN. Thank you, Mr. Secretary.
[The written statement of Secretary Carter follows:]

AS PREPARED – EMBARGOED UNTIL DELIVERY

**SECRETARY OF DEFENSE ASH CARTER
SUBMITTED STATEMENT TO THE HOUSE APPROPRIATIONS
COMMITTEE – DEFENSE ON THE FY 2016 BUDGET REQUEST FOR
THE DEPARTMENT OF DEFENSE
WEDNESDAY, MARCH 4, 2015**

Chairman Frelinghuysen, Ranking Member Visclosky, Members of the Committee: thank you for inviting me here today to discuss the President's Fiscal Year 2016 budget request for the Department of Defense (DoD). Oversight is key to our system of government. I not only welcome your wisdom and experience; I also want your partnership, and need your help.

I also want to thank Chairman Dempsey for his leadership, as well as Deputy Secretary Work and Vice Chairman Winnefeld, in particular for all their hard work over the past year in helping develop the budget request we will be discussing today.

I. INTRODUCTION AND STRATEGY

During my first week as Secretary of Defense, I had the opportunity to see our troops in Afghanistan and Kuwait. Hearing from them was one of my highest priorities upon taking office.

In Afghanistan, our soldiers, sailors, airmen, and Marines are helping cement progress made toward a more secure, stable, and prosperous future, by training, advising, and assisting Afghan forces and continuing their counter-terrorism mission. They are working to ensure that Afghanistan never again becomes a safe haven for attacks on our homeland, or on our partners and allies.

In Kuwait, our men and women in uniform are contributing to our counter-ISIL coalition in Iraq and Syria. They are working closely with Iraq and our global coalition partners to ensure that local forces can deliver lasting defeat to a vile enemy that has barbarically murdered American citizens, Iraqis, Syrians, and so many others, and that seeks to export its hateful and twisted ideology across the Middle East and North Africa, and beyond.

No doubt the challenges and opportunities we face extend well beyond the Middle East.

In Europe, our troops are helping reinforce and reassure our allies in Eastern Europe as we confront a reversion to archaic security thinking.

In the Asia-Pacific – home to half the world's population and economy – they are working to modernize our alliances, build new partnerships, and helping the United States continue to underwrite stability, peace, and prosperity in the region – as we have for decades.

And as we still meet longtime challenges, such as the continuing imperative to counter the spread of weapons of mass destruction, our armed forces are also addressing new dangers, such as in cyberspace.

Across the world, it is America's leadership, and America's men and women in uniform, who often stand between disorder and order – who stand up to malicious and destabilizing actors, while standing behind those who believe in a more secure, just, and prosperous future.

Mr. Chairman, this committee and this Congress will determine whether our troops can continue to do so – whether they can continue to defend our nation's interests around the world with the readiness, capability, and excellence our nation has grown accustomed to, and sometimes taken for granted.

Halting and reversing the decline in defense spending imposed by the Budget Control

AS PREPARED – EMBARGOED UNTIL DELIVERY

Act, the President's budget would give us the resources we need to execute our nation's defense strategy.

It would ensure we field a modern, ready force in a balanced way, while also embracing change and reform, because asking for more taxpayer dollars requires we hold up our end of the bargain – by ensuring that every dollar is well-spent.

The President is proposing to increase the defense budget in Fiscal Year 2016, but in line with the projection he submitted to Congress last year in the Fiscal Year 2015 budget's Future Years Defense Program (FYDP). The department is executing the plan it presented last year. Accordingly, for Fiscal Year 2016, the President is proposing \$534 billion for DoD's base budget and \$51 billion in Overseas Contingency Operations (OCO), totaling \$585 billion to sustain America's national security and defense strategies.

The Defense Department needs your support for this budget, which is driven by strategy, not the other way around. More specifically, it is driven by the defense strategy identified in the 2014 Quadrennial Defense Review, which reflects the longtime, bipartisan consensus that our military must protect the homeland, build security globally, and project power and win decisively. We do so in line with our longstanding tradition of maintaining a superior force with an unmatched technological edge, working in close partnership with friends and allies, upholding the rules-based international order, and keeping our commitments to the people who make up the all-volunteer force.

Our defense budget's priorities line up with our strategic priorities: sustaining America's global leadership by:

- rebalancing to the Asia-Pacific region;
- maintaining a strong commitment to security and stability in Europe and the Middle East;
- sustaining a global counterterrorism campaign;
- strengthening key alliances and partnerships; and,
- prioritizing key modernization efforts.

This budget ensures we can execute our defense strategy with manageable risk, even as it does require us to accept elevated risk in some areas.

But – and I want to be clear about this – parts of our nation's defense strategy cannot be executed under sequestration, which remains the law of the land and is set to return 211 days from today.

As I have said before, the prospect of sequestration's serious damage to our national security and economy is tragically not a result of an economic emergency or recession.

It is not because these budget cuts are a mathematical solution to the nation's overall fiscal challenge – they are not.

It is not because paths of curbing nondiscretionary spending and reforming our tax system have been explored and exhausted – they have not.

It is not due to a breakthrough in military technology or a new strategic insight that somehow makes continued defense spending unnecessary – there has been no such silver bullet.

And it is not because the world has suddenly become more peaceful – for it is abundantly clear that it has not.

Instead, sequestration is purely the collateral damage of political gridlock. And friends and potential enemies around the world are watching.

We in the Department of Defense are prepared to make difficult strategic and budgetary choices. We are also committed – more than ever before – to finding new ways to improve the

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way we do business and be more efficient and accountable in our defense spending.

But in order to ensure our military remains the world's finest fighting force, we need to banish the clouds of fiscal uncertainty that have obscured our plans and forced inefficient choices. We need a long-term restoration of normal budgeting and a deal that the President can sign, and that lives up to our responsibility of defending this country and the global order. And that means, among other things, avoiding sequestration.

To be sure, even under sequestration, America will remain the world's strongest military power. But under sequestration, our military – and our national security – would have to take on irresponsible and unnecessary risk – risk that previous Administrations and Congressional leaders have wisely chosen to avoid.

Sequestration would lead over time to a military that looks fundamentally different and performs much differently than what we are used to. Not only as Secretary of Defense, but simply as an American, I deeply, earnestly hope we can avert that future. I am committed to working with the members of this committee, and your colleagues throughout the Congress to prevent it.

I know how proud you and all Americans are that we field the finest fighting force in the world. But our military superiority was not built, and will not be sustained, by resting on our laurels. So instead of resigning ourselves to having the diminished military that sequestration would give us, I propose that we build the force of the future, together.

II. BUILDING THE FORCE OF THE FUTURE

Assuming the Congress funds the President's Fiscal Year 2016 budget and averts sequestration, we have the opportunity to build the force of the future. We have inherited a long tradition of military excellence from those who came before us, and we must preserve it for those who will come after.

But to do so, DoD must embrace the future – and embrace change – throughout our institution. We must be open to new ideas and new ways of doing business that can help us operate more efficiently and perform more effectively in an increasingly dynamic and competitive environment.

What DoD Needs To Do

As DoD counters the very real dangers we face in the world, we will also grab hold of the bright opportunities before us – opportunities to be more competitive and re-forge our nation's military and defense establishment into a future force that harnesses and develops the latest, cutting-edge technology, and that remains superior to any potential adversary; one that is efficient and accountable to the taxpayers who support it; and one that competes and succeeds in attracting the next generation of talented Americans to fill its ranks.

These are the three main pillars on which DoD will build the force of the future.

Competitiveness through Technological and Operational Superiority

As other nations pursue comprehensive military modernization programs and develop technologies designed to blunt our military's traditional advantages, the first pillar of our future force must be ensuring that we maintain – and extend – our technological edge over any potential

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adversary.

The President's Fiscal Year 2016 budget includes targeted investments in modernized space, cyber, and missile defense capabilities geared toward countering emerging threats that could upend our technological superiority and our ability to project power. DoD would look forward to providing a full account of our proposed modernization investments, and the threats that compel them, in a classified setting.

The budget also supports the Defense Innovation Initiative, which will help ensure the military continues to ride the leading edge of innovation, and makes deferred modernization investments that will ensure America's nuclear deterrent remains safe, secure, and effective. Across all these efforts, we must be open to global, commercial technology as well, and learn from advances in the private sector.

Because we know that technology alone – however advanced – cannot sustain our military's superiority, just as important is a ruthless focus on operational excellence. This means using our existing forces and capabilities in new, creative, and fiscally prudent ways to achieve our objectives. This also means working to develop more innovative and effective strategic and military options for the President, introducing a new and more rapidly responsive global force management model, developing new operational concepts, and reforming and updating all our operational plans.

Competitiveness through Accountability & Efficiency

The second pillar of building the force of the future requires redoubling our efforts to make DoD more accountable and efficient. We live in a competitive world and need to be a competitive organization. If we don't lean ourselves out and maintain our fighting weight, we have no business asking our fellow citizens for more resources.

As I made clear in my confirmation hearing, I cannot suggest greater support and stability for the defense budget without at the same time frankly noting that not every defense dollar is always spent as well as it should be.

American taxpayers rightly have trouble comprehending – let alone supporting – the defense budget when they read of cost overruns, insufficient accounting and accountability, needless overhead, and the like.

If we're asking taxpayers to not only give us half a trillion of their hard-earned dollars, but also give us more than we got last year, we have to demonstrate that we can be responsible with it.

We must do all we can to spend their money more wisely and more responsibly. We must reduce overhead, and we must curb wasteful spending practices wherever they are.

DoD has sought to continuously improve our acquisition processes over the past five years, and I am proud myself to have been a part of that effort. Today, I am recommitting the Defense Department to working both with Congress, and on our own, to find new and more creative ways of stretching our defense dollars to give our troops the weapons and equipment they need.

The department's Better Buying Power initiative is now on its third iteration since I established it in 2010, with Better Buying Power 3.0 focused on achieving dominant capabilities through technical excellence. I know well and very much appreciate the strong support for acquisition reform demonstrated by the Senate and House Armed Services Committees, and their Chairmen, and I share their deep desire to achieve real, lasting results that benefit both

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America's security and taxpayers.

DoD is working closely with committee Members and staff on ways to eliminate some of the burdensome and duplicative administrative requirements levied on our program managers. To that end, the President's FY 2016 budget submission includes a number of legislative proposals designed to help streamline the program oversight process. We look forward to continuing our close partnership with Congress to see these measures implemented.

As we sustain our focus on acquisition reform, I believe that DoD must concurrently undertake a wholesale review of our business practices and management systems.

Our goal is to identify where we can further reduce the cost of doing business to free up funding for readiness and modernization – ensuring that our energy, focus, and resources are devoted to supporting our frontline operations as much as possible.

We intend to work closely with industry partners – who execute or enable many of our programs, logistics, training, administrative, and other functions – throughout this process, both to explore how they could help us accomplish our missions at reduced cost, and because they may have new and innovative ideas worth considering.

Additionally, the Defense Department is pursuing creative force structure changes to be more agile and efficient – such as how we're modernizing our cruisers and restructuring Army aviation. We've established a new Defense POW/MIA Accounting Agency. And four previous rounds of efficiency and budget reduction initiatives have yielded approximately \$78 billion in projected and actual savings in FY 2016, helping to cushion our defense programs from successive years of budget cuts.

We're also working hard to cut unnecessary overhead: from reducing management headquarters budgets by 20 percent across the department, to divesting excess bases and infrastructure.

When DoD recently requested a round of domestic Base Realignment and Closure, Congress asked that we first pursue efficiencies in Europe. We did. DoD has approved and is pursuing a broad European Infrastructure Consolidation – which will result in some \$500 million in annual recurring savings. We now need a round of domestic BRAC beginning in Fiscal Year 2017 to address excess infrastructure here at home.

Simply put, we have more bases in more places than we need. We estimate DoD has about 25 percent more infrastructure capacity than necessary. We must be permitted to divest surplus infrastructure as we reduce and renew force structure. With projected recurring savings from a new BRAC round totaling some \$2 billion a year, it would be irresponsible to cut tooth without also cutting tail.

For base communities in question, it's important to remember that BRAC is often an opportunity to be seized. Communities have shown that BRAC is ultimately what you make of it, and there are plenty of places that have emerged from it stronger than they were before.

Consider Lawrence, Indiana, which took advantage of Fort Harrison's closure in 1996 to create an enterprise zone, community college, recreational facilities, and commercial sites that in just 7 years not only replaced 100 percent of the jobs lost when the base closed, but created even more.

Charleston, South Carolina stepped up when the Charleston Naval Complex closed in 1993, and now is home to more than 80 new industrial and federal agency tenants. The former naval base is now producing millions of dollars' worth of goods that are exported to Europe, Africa, and the Middle East.

And at former Mather Air Force Base in Sacramento County, California, the local

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redevelopment effort has invested \$400 million and created more than 6,500 jobs – over six times the number of jobs lost when the base closed in 1993. It's now home to scores of businesses, a mixture of private companies, government agencies, and non-profit organizations.

These are just a few examples of what can happen when local leaders, communities, and businesses work together and take advantage of the opportunities for new jobs and new growth after BRAC.

One more point on accountability: Whether we're improving acquisition or closing bases, it is not enough to simply tell taxpayers that we're spending their dollars responsibly. We have to also show them, which is why good cost accounting and financial auditability is so important to me.

DoD has made significant progress over the past five years in adding more discipline to our business environment, but there is much work left to be done, and we remain fully committed to our current audit goals.

Today, over 90 percent of DoD's current year, general fund budgetary resources are under some form of financial audit, with the military services all involved and following the model employed by the Marine Corps.

We plan to submit every corner of DoD to this kind of audit regimen beginning in FY 2016. With this foundation, the department will progressively expand the scope of these audits until all our organizations, funds, and financial statements will be under audit in FY 2018, complying with Congress's statutory direction to be audit ready by the end of FY 2017.

There's a reason why auditing is a basic practice as ancient as the Domesday Book, and it is time that DoD finally lives up to its moral and legal obligation to be accountable to those who pay its bills. I intend to do everything we can – including holding people to account – to get this done.

Competitiveness through Attracting Future Talent

Third, but no less important, DoD must be competitive when it comes to attracting new generations of talented and dedicated Americans to our calling of defending the nation.

We know how the attacks of September 11th, 2001 motivated so many Americans to want to be part of this noble endeavor. Going forward, we must ensure our future force can continue to recruit the finest young men and women our country has to offer – military and civilian – like those who serve today.

As we do this, we must be mindful that the next generation expects jobs that give them purpose, meaning, and dignity. They want to be able to make real contributions, have their voices heard, and gain valuable and transferable experience. We must shape the kind of force they want to be in. The battle for talent will demand enlightened and agile leaders, new training schemes, new educational opportunities, and new compensation approaches.

DoD is already pursuing several initiatives that will help ensure the military is a compelling career option. In recent years, we've been expanding pilot programs that facilitate breaks in service that let our people gain diverse work experience. We've tailored our transition assistance program, Transition GPS, to better prepare servicemembers to enter the civilian workforce – providing different tracks for those who want to go to college, those who want skills training, and those who want to be entrepreneurs. And we've put a renewed focus on military ethics and professionalism, as well as making sure our military health system is held to the same high-quality standards we expect from the servicemembers and military family members under

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its care.

Because we know how important it is – both for today’s servicemembers and the generation that will follow them – we’re also deeply committed to creating an environment and culture where we live the values we defend and every servicemember is treated with the dignity and respect they deserve.

That’s why we’re continuing to expand combat positions available to women – because everyone who’s able and willing to serve their country should have full and equal opportunity to do so.

It’s why we’re striving to eliminate sexual assault from the military.

And it’s why we’ve been making sure gay and lesbian servicemembers can serve openly, and that their families receive the benefits their loved ones have earned.

But for everything we’re doing, DoD cannot build the force of the future by ourselves. We need Congress’s help.

What We Need Congress To Do

Since our current defense budget drawdown began several years ago, I’ve observed something of a phenomenon here in Washington.

Along with our troops, their families, and our defense civilians, I thank our supporters on Capitol Hill, including most members of this committee, who have joined with us in trying to do everything possible to get Congress to prevent more mindless cuts to our defense budget.

Unfortunately, these combined efforts have been unsuccessful in actually restoring adequate and predictable resources for DoD. We have had to endure deep cuts to readiness, weather pay freezes and civilian furloughs, and cut badly needed investments in modernization and critical technologies. At the same time, Congress has sometimes sought to protect programs that DoD has argued are no longer needed, or require significant reform.

We have had the worst of both worlds – a double whammy of mindless sequestration coupled with inability to reform.

As many of you know, it wasn’t always this way.

During the defense drawdown after the Cold War, DoD had much more flexibility thanks to the help of Congress. For example, we were able to resize the Army, retire the A-6 Intruder and many other weapons systems, and implement multiple BRAC rounds, which freed up dollars we re-allocated to keep our force structure ready, capable, and deployable around the world.

I know some of the changes and reforms we’re proposing may feel like a significant change from how we currently do business. But if anyone can understand how the dots connect and how we need Congress’s help to be able to defend our country, our allies, and our interests in an increasingly dangerous world, it’s you – the members of this committee.

The fact is, if we’re not able to implement the changes and reforms we need, we will be forced to make painful tradeoffs, even at the higher topline the President is requesting. We will lose further ground on modernization and readiness – leaving tomorrow’s force less capable and leaving our nation less secure. And we will face significant hurdles to executing our nation’s defense strategy. That’s why we need your help.

III. THE PRESIDENT’S FISCAL YEAR 2016 BUDGET

As we do every year when formulating our budget, this budget seeks to balance

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readiness, capability, and size – because we must ensure that, whatever the size of our force, we have the resources to provide every servicemember with the right training, the right equipment, the right compensation, and the right quality of fellow troops. That is the only way we can ensure our military is fully prepared to accomplish its missions.

Almost two-thirds of DoD's Fiscal Year 2016 base budget – \$348.4 billion – funds our day-to-day expenses, similar to what a business would call its operating budget. This covers, among other expenses, the cost of fuel, spare parts, logistics support, maintenance, service contracts, and administration. It also includes pay and benefits for military and civilian personnel, which by themselves comprise nearly half of our total budget.

The remaining third of our base budget – \$185.9 billion – comprises investments in future defense needs, much like a business' capital improvement budget. It pays for the research, development, testing, evaluation, and ultimately acquisition of the weapons, equipment, and facilities that our servicemembers need.

Broken down differently, our base budget includes the following categories:

- Military pay and benefits (including health care and retirement benefits) – \$169 billion, or about 32 percent of the base budget.
- Civilian pay and benefits – \$79 billion, or about 15 percent of the base budget.
- Other operating costs – \$105 billion, or about 20 percent of the base budget.
- Acquisition and other investments (Procurement; research, development, testing, and evaluation; and new facilities construction) – \$181 billion, or about 34 percent of the base budget.

Modernization

What makes this budget different is the focus it puts, more so than any other over the last decade, on new funding for modernization. After years of war, which required the deferral of longer-term modernization investments, this budget puts renewed emphasis on preparing for future threats – especially threats that challenge our military's power projection capabilities.

Threats to Power Projection and our Technological Edge

Being able to project power anywhere across the globe by rapidly surging aircraft, ships, troops, and supplies lies at the core of our defense strategy and what the American people have come to expect of their military. It guarantees that when an acute crisis erupts anywhere in the world, America can provide aid when disaster strikes, reinforce our allies when they are threatened, and protect our citizens and interests globally. It also assures freedom of navigation and overflight, and allows global commerce to flow freely.

For decades, U.S. global power projection has relied on the ships, planes, submarines, bases, aircraft carriers, satellites, networks, and other advanced capabilities that comprise our military's unrivaled technological edge. But today that superiority is being challenged in unprecedented ways.

Advanced military technologies, from rockets and drones to chemical and biological capabilities, have found their way into the arsenals of both non-state actors as well as previously less capable militaries. And other nations – among them Russia, China, Iran, and North Korea – have been pursuing long-term, comprehensive military modernization programs to close the technology gap that has long existed between them and the United States.

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These modernization programs are developing and fielding advanced aircraft, submarines, and both longer-range and more accurate ballistic and cruise missiles. They're developing new and advanced anti-ship and anti-air missiles, as well as new counter-space, cyber, electronic warfare, undersea, and air attack capabilities. In some areas, we see levels of new weapons development that we haven't seen since the mid-1980s, near the peak of the Soviet Union's surge in Cold War defense spending.

Targeted Investments in the President's Budget

One of the reasons we are asking for more money this year than last year is to reverse recent under-investment in new weapons systems by making targeted investments to help us stay ahead of emerging threats – adding substantial funding for space control and launch capabilities, missile defense, cyber, and advanced sensors, communications, and munitions – all of which are critical for power projection in contested environments.

The budget also makes significant investments in the resilience and survivability of our infrastructure and forces, particularly in the western Pacific, with improved active defenses such as our Patriot and AEGIS systems, as well as selective hardening of key installations and facilities.

DoD is also addressing the erosion of U.S. technological superiority with the Defense Innovation Initiative (DII). The DII is an ambitious department-wide effort to identify and invest in innovative ways to sustain and advance America's military dominance for the 21st century.

The DII will identify, develop, and field breakthrough technologies and systems through a new Long-Range Research & Development Planning Program, and the President's budget supports this effort through specific investments in promising new technologies and capabilities such as high-speed strike weapons, advanced aeronautics, rail guns, and high energy lasers. The DII also involves the development of innovative operational concepts that would help us use our current capabilities in new and creative ways. The ultimate aim is to help craft 'offset strategies' that maximize our strengths and exploit the weaknesses of potential adversaries.

Our budget is also making focused and sustained investments in modernization and manning across the nuclear enterprise, even as we reduce the roles and numbers of nuclear weapons in the U.S. nuclear posture. These investments are critical for ensuring the continued safety, security, and effectiveness of our nuclear deterrent, as well as the long-term health of the force that supports our nuclear triad, particularly after recent troubling lapses in parts of DoD's nuclear enterprise. To help fund improvements across the nuclear enterprise, we are requesting an increase of approximately \$1 billion in Fiscal Year 2016, and about \$8 billion over the FYDP.

Readiness

DoD must rebuild and recover after more than 13 years of uninterrupted war. But our effort to do so has been frustrated by two variables, both of which are out of our hands – one, the continued high operational tempo and high demand for our forces, and two, the uncertainty surrounding annual appropriations.

Only over the last couple of years has readiness begun to recover from the strains of over a decade of war, exacerbated by sequestration in 2013. Nevertheless, readiness remains at troubling levels across the force.

While our forward-deployed forces remain ready, our surge forces at home are not as

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ready as they need to be. The President's budget therefore invests in near-term unit readiness by adjusting service end-strength ramps to reduce personnel turbulence and stress on the force, while increasing funding to improve home station training and training-related infrastructure.

This past year has demonstrated that our military must be ready to fight more than just the last war. We have to be prepared across all domains – air, land, sea, space, and in cyberspace – to engage in both low- and high-end missions and conflicts, as well as in the shadowy, so-called 'hybrid warfare' space in between.

While this budget submission's requested and projected funding levels will enable the military to continue making steady progress toward full-spectrum combat readiness, the gains we've recently made are fragile. Sustaining them to provide for ready and capable forces will require both time and a stable flow of resources, which is why, even under the budget we're requesting, the Army, Navy, and Marine Corps won't all reach their readiness goals until 2020, and the Air Force won't do so until 2023.

Army:

For Fiscal Year 2016, the Army's base budget of \$126.5 billion supports an end-strength of 1,015,000 soldiers – 475,000 soldiers on active duty, 342,000 soldiers in the Army National Guard, and 198,000 soldiers in the Army Reserve – comprising 57 total force brigade combat teams and associated enablers. The budget also supports 19 brigade-level training rotations at the Army's Combat Training Centers, which are critical to the Army's efforts to reach full-spectrum combat readiness.

While the Army's postwar end-strength target remains a force of approximately 450,000 active-duty soldiers, 335,000 Army National Guard soldiers and 195,000 Army Reserve soldiers, this year's budget slows the drawdown rate. Rather than planning to reduce the active-duty force by 20,000 soldiers and the National Guard by 14,000 soldiers in Fiscal Year 2016, the Army will instead plan to reduce by 15,000 active-duty soldiers and 8,000 Guardsmen, while still maintaining its schedule for reducing unit structure. This will help mitigate personnel turbulence and stress, while also improving unit manning as the Army approaches its target size.

The Army's budget for Fiscal Year 2016 also includes \$4.5 billion for Army helicopter modernization. Specifically:

- UH-60M Black Hawk: We are requesting \$1.6 billion to support buying 94 multi-mission helicopters in FY 2016, and \$6.1 billion for 301 helicopters over the FYDP.
- AH-64E Apache: We are requesting \$1.4 billion to support development and purchase of 64 attack helicopters in FY 2016, and \$6.2 billion for 303 helicopters over the FYDP.
- CH-47F Chinook: We are requesting \$1.1 billion to support development and purchase of 39 cargo helicopters in FY 2016, and \$3.2 billion for 95 helicopters over the FYDP.
- UH-72 Lakota: We are requesting \$187 million in FY 2016 to support the final buy of 28 light utility helicopters.

These investments require difficult trade-offs given today's constrained fiscal environment. That is why the Army is resubmitting the Army's Aviation Restructure Initiative, which makes the most efficient use of taxpayer dollars by retiring outdated airframes and streamlining the Army's helicopter fleet so that platforms can be modernized and allocated where they are needed most.

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As you know, I am committed to reviewing the Army's Aviation Restructure Initiative. However, the Army believes that fully implementing the Aviation Restructure Initiative (ARI), which includes shifting National Guard Apaches to active-duty units while providing Guard units with Black Hawks, is prudent for several reasons.

For one, Apaches are in high demand at high levels of readiness that would require Guard units manning them to mobilize at unprecedentedly high rates; or alternatively, for the Army to spend a total of approximately \$4.4 billion to fully equip the Guard's Apache battalions, and then \$350 million per year to maintain them at those high levels of readiness. Meanwhile, Black Hawks are more suitable for Guard missions here at home. Whether homeland defense, disaster relief, support to civil authorities, or complementing our active-duty military, these missions tend to demand transport and medical capabilities more than the attack capabilities of Apaches. In sum, the initiative avoids approximately \$12 billion in costs through Fiscal Year 2035 and saves over \$1 billion annually starting in Fiscal Year 2020. Considering these figures, implementing the Aviation Restructure Initiative is not only in the best warfighting interest of the Army, but also in the interest of the taxpayers who fund it.

I know this is a contentious issue. However, we believe the ARI is the least cost, best solution for the Army's aviation enterprise. DoD looks forward to making its case to the National Commission on the Future of the Army established by the 2015 National Defense Authorization Act.

Navy & Marine Corps:

The Navy and Marine Corps are allocated \$161 billion for Fiscal Year 2016, supporting a 282-ship fleet in 2016 and a 304-ship fleet by Fiscal Year 2020 with a return to 11 aircraft carriers, 386,600 active-duty and Reserve sailors, and 222,900 active-duty and Reserve Marines.

The President's budget invests \$16.6 billion in shipbuilding for Fiscal Year 2016, and \$95.9 billion over the FYDP. The budget protects critical Navy and Marine Corps investments in undersea, surface, amphibious, and airborne capabilities – all of which are critical for addressing emerging threats. Specifically:

- Submarines: We are requesting \$5.7 billion for FY 2016, and \$30.9 billion over the FYDP, to support buying two Virginia-class attack submarines a year through FY 2020. We are also requesting \$1.4 billion in FY 2016, and \$10.5 billion over the FYDP, to support the replacement for the Ohio-class ballistic missile submarine.
- DDG-51 Guided Missile Destroyers: We are requesting \$3.4 billion for FY 2016, and \$18.5 billion over the FYDP, to support the continued development and procurement of two DDG-51 destroyers a year through FY 2020.
- Aircraft Carriers: The President's budget plan enables us to support 11 carrier strike groups. We are requesting \$678 million in FY 2016, and \$3.9 billion over the FYDP, to support the refueling and overhaul of the U.S.S. *George Washington*. We are also requesting \$2.8 billion in FY 2016, and \$12.5 billion over the FYDP, to support completion of the *Gerald Ford*, fourth-year construction of the *John F. Kennedy*, and long-lead items for CVN-80, *Enterprise*.
- Littoral Combat Ships (LCS) and Small Surface Combatants: We are requesting \$1.8 billion in FY 2016, and \$9.4 billion over the FYDP, to support development and procurement of 14 littoral combat ships over the FYDP – including three LCS in FY 2016. We are also requesting \$55 million in FY 2016, and \$762.8 million over the

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FYDP, to support capability improvements to the survivability and lethality of the LCS required for the Navy to modify it into a small surface combatant.

- Fleet Replenishment Oiler: We are requesting \$674 million to support buying one new fleet replenishment oiler, the TAO(X), in FY 2016 – part of a \$2.4 billion request to buy four of them over the FYDP.
- Amphibious Transport Docks: We are requesting \$668 million in FY 2016 to finish buying one San Antonio-class amphibious transport dock.
- F-35 Lightning II Joint Strike Fighter: The Department of the Navy is procuring two F-35 variants, the Navy carrier-based F-35C and the Marine Corps short-take-off-and-vertical-landing F-35B. The Navy and Marine Corps are requesting \$3.1 billion in FY 2016 to support procurement of 13 aircraft – nine F-35Bs and four F-35Cs – and aircraft modifications and initial spares, and \$20.9 billion over the FYDP to support procurement of 121 aircraft and aircraft modifications and initial spares.
- Patrol and Airborne Early Warning Aircraft: We are requesting \$3.4 billion in FY 2016, and \$10.1 billion over the FYDP, to support continued development and procurement of 47 P-8A Poseidon maritime patrol aircraft through FY 2020. We are also requesting \$1.3 billion in FY 2016, and \$6.1 billion over the FYDP, to support buying 24 E-2D Hawkeye airborne early warning aircraft through FY 2020.

Making these investments while also abiding by fiscal prudence, we had to make more difficult trade-offs. For that reason, we are resubmitting our request to place some of the Navy's cruisers and an amphibious landing ship – 12 ships in total, including 11 cruisers – into a phased modernization program that will provide them with enhanced capability and a longer lifespan. Given that our cruisers are the most capable ships for controlling the air defenses of a carrier strike group, and in light of anti-ship missile capabilities being pursued by other nations, this modernization program will, over the next decade and a half, be a baseline requirement for sustaining both our cruiser fleet and 11 carrier strike groups through 2045.

I acknowledge and appreciate the plan put forward in the omnibus Consolidated and Further Continuing Appropriations Act, 2015, which helps us get to our goal, and which we have begun to implement. However, this plan is more expensive, and results in shorter ship life. Considering that our plan is critical for our power projection capabilities, we believe it should be implemented in full, and look forward to working with the Congress as we move forward.

Air Force:

The Air Force is allocated a base budget of \$152.9 billion for Fiscal Year 2016, supporting a force of 491,700 active-duty, Guard, and Reserve airmen, 49 tactical fighter squadrons, 96 operational bombers out of a total 154-aircraft bomber fleet, and a safe, secure, and effective nuclear deterrent that includes 450 intercontinental ballistic missiles.

The Air Force's budget reflects DoD's decision to protect modernization funding for advanced capabilities and platforms most relevant to both present and emerging threats – in this case, fifth-generation fighters, long-range bombers, and mid-air refueling aircraft to assure our air superiority and global reach; both manned and remotely-piloted aircraft to help meet Combatant Commanders' needs for intelligence, surveillance, and reconnaissance (ISR); and research and development to ensure continued and competitive space launch capabilities. Specifically:

- F-35A Lightning II Joint Strike Fighter: We are requesting \$6 billion to support

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buying 44 aircraft, aircraft modifications, and initial spares in FY 2016, and \$33.5 billion to support buying 272 aircraft, modifications, and spares over the FYDP.

- KC-46A Pegasus Refueling Tanker: We are requesting \$2.4 billion to buy 12 aircraft in FY 2016, and \$14.6 billion to buy 72 aircraft over the FYDP.
- Long-Range Strike Bomber: We are requesting \$1.2 billion for research and development in FY 2016, and \$13.9 billion over the FYDP.
- Remotely-Piloted Aircraft: We are requesting \$904 million to support buying 29 MQ-9A Reapers in FY 2016, and \$4.8 billion to support buying 77 of them over the FYDP. This investment is critical to ensuring the Air Force has enough around-the-clock permissive ISR combat air patrols – in this case, allowing us to increase from 55 to 60 – to meet increased battlefield demands.
- Competitive Space Launch: This budget supports year-over-year increases in competitive space launches – going up from two in FY 2015 to three in FY 2016, and further increasing to four competitive launches in FY 2017. The budget also supports investments to mitigate DoD reliance on the RD-180 space engine that powers the Atlas V Evolved Expendable Launch Vehicle rockets.
- Combat Rescue Helicopter: We are requesting \$156 million in FY 2016 for the Air Force's next-generation combat rescue helicopter – part of a total \$1.6 billion request over the FYDP for research, development, testing, and evaluation – and requesting \$717 million over the FYDP for procurement.

In light of high demand coupled with Congressional consultations, the Air Force budget reflects DoD's decision to slow the retirement timelines for three key ISR and battle management platforms.

We chose to defer the retirement of the U-2 Dragon Lady reconnaissance aircraft until Fiscal Year 2019, when planned sensor upgrades to the RQ-4 Global Hawk will combine with other capabilities to mitigate the loss of the U-2. We chose to delay the previously planned retirement of seven E-3 Sentry AWACS until Fiscal Year 2019, so they can support air operations over Iraq and Syria. And we chose to delay retirement of any E-8 JSTARS through Fiscal Year 2020, pending final approval of the Air Force's acquisition strategy for its replacement.

The Air Force budget also supports a timeline that would phase out and retire the A-10 in Fiscal Year 2019. With the gradual retirement of the A-10 that we're proposing, the Air Force will better support legacy fleet readiness and the planned schedule for standing up the F-35A by filling in some of the overall fighter maintenance personnel shortfalls with trained and qualified personnel from the retiring A-10 squadrons.

As you know, F-35 maintainer demand has already required the Air Force to use the authority Congress provided last year to move some A-10s into back-up aircraft inventory status. I should note that the Air Force is doing so only to the extent that it absolutely must, and so far intends to move far fewer A-10s into this status than what Congress has authorized. I know this is an important issue, and DoD looks forward to working with you on it.

Defense-Wide:

The remaining share of our base budget – about \$94 billion – is allocated across the Department of Defense. This includes funding for cyber, U.S. Special Operations Command, the Defense Advanced Research Projects Agency, the Defense Health Agency, the Joint Staff, the

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Office of the Secretary of Defense, and missile defense.

For Fiscal Year 2016, a \$9.6 billion total investment in missile defense helps protect the U.S. homeland, deployed forces, and our allies and partners. This includes \$8.1 billion for the Missile Defense Agency, \$1.6 billion of which will help ensure the reliability of U.S. ground-based interceptors, which are currently sited at Fort Greely, Alaska and Vandenberg Air Force Base, California. The budget also continues to support the President's timeline for implementing the European Phased Adaptive Approach.

Overseas Contingency Operations:

Separate from DoD's base budget, we are also requesting \$50.9 billion in Overseas Contingency Operations (OCO) funding for Fiscal Year 2016. This represents a 21 percent decrease from last year's \$64.2 billion in OCO funding, continuing OCO's decline since 2010, while also reflecting continued operational demands on U.S. forces around the world. OCO comprises funding for:

- Afghanistan and Other Operations: We are requesting \$42.5 billion to support Operation Freedom's Sentinel and other missions. This includes \$7.8 billion for reset and retrograde of U.S. equipment from Afghanistan, as well as \$3.8 billion for training and equipping the Afghan National Security Forces through our ongoing train-advise-and-assist mission.
- Counter-ISIL Operations: We are requesting \$5.3 billion to support Operation Inherent Resolve. This includes \$1.3 billion for training and equipping Iraqi forces, including Kurdish forces, and the vetted moderate Syrian opposition.
- Counterterrorism Partnerships Fund: Reflecting the vital role that our allies and partners play in countering terrorism that could threaten U.S. citizens, we are requesting \$2.1 billion for the Counterterrorism Partnerships Fund that President Obama established last year.
- NATO Reassurance: We are requesting \$789 million for the European Reassurance Initiative, which the President created last year to help reassure our NATO allies and reinforce our Article V commitment in light of Russia's violations of Ukrainian sovereignty.

The conclusion of major combat operations in Afghanistan and Iraq has resulted in a 73 percent drop in DoD's OCO costs from their \$187-billion peak in Fiscal Year 2008.

We are continuing to use OCO as appropriate to finance our military's response to unforeseen crises, but we must also account for those enduring priorities that we do not envision going away – such as supporting our Afghan partners, countering terrorism, maintaining a strong forward presence in the Middle East, and ensuring our military is ready to respond to a wide range of potential crises.

The Administration intends to transition OCO's enduring costs to the base budget between Fiscal Years 2017 and 2020. We will do this over time, and in a way that protects our defense strategy – including DoD's abilities to deter aggression, maintain crisis-ready forces, and project power across the globe. This transition, however, will not be possible unless the threat of sequestration has been removed.

Having financed the costs of key military activities – such as counterterrorism operations and our Middle East posture – outside the base budget for 14 years, and knowing that the security situation in the Middle East remains volatile, it will take time to determine which OCO

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costs are most likely to be enduring, and which are not. But we will release a plan later this year, which will also address how we will budget for uncertainty surrounding unforeseen future crises, and implications for DoD's budget.

IV. COMPENSATION

The choices we face about military compensation are vexing, critically important, and closely followed, so I want to be direct and upfront with you.

When our troops go into battle – risking their lives – we owe to them, and their families, not only adequate pay and compensation, but also the right investments – in the right people, the right training, and the right weapons and equipment – so that they can accomplish their missions and come home safely.

To meet all of these obligations at once, we have to balance how we allocate our dollars. It would be irresponsible to prioritize compensation, force size, equipment, or training in isolation, only to put our servicemembers' lives at unacceptable risk in battle.

For the President's Fiscal Year 2016 budget, the Defense Department considered its compensation proposals very carefully, as well as those approved by Congress in the 2015 National Defense Authorization Act. Accordingly, this budget again proposes modest adjustments to shift funds from compensation into readiness, capability, and force structure, so that our people can continue executing their missions with continued excellence.

As you know, the Congressionally-commissioned Military Compensation and Retirement Modernization Commission has recently released its own compensation proposals. Their work, which DoD is continuing to analyze, shows thoughtfulness and good intent, which we deeply appreciate.

Given that this hearing is being held before the department has submitted its recommendations on the commission's report to President Obama, it would not be appropriate for me to discuss them at this time. Many of these proposals would significantly affect our servicemembers and their families, and DoD owes them, the President, and the country our utmost diligence and most rigorous analysis.

However, I can say that the department agrees with the overarching goals of the commission, especially providing servicemembers and beneficiaries more options – whether in preparing for retirement or in making health care choices.

I can also say that the commission's proposals are complicated, and do not lend themselves to binary answers. Therefore, when we provide the President with our recommendations on each proposal, DoD will clarify not simply whether we support each proposal, but also where we recommend specific modifications to improve or enable us to fully support a given proposal.

We believe there is something positive in almost every one of the commission's recommendations, and that they present a great opportunity to ensure we honor our servicemembers past, present, and future. I look forward to Congress's support and partnership as we work hard to take advantage of it.

V. IMPACT OF SEQUESTRATION

At the end of 2013, policymakers came together on a bipartisan basis to partially reverse sequestration and pay for higher discretionary funding levels with long-term reforms. We've

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seen how that bipartisan agreement has allowed us to invest in areas ranging from research and manufacturing to strengthening our military. We've also seen the positive impact on our economy, with a more responsible and orderly budget process helping contribute to the fastest job growth since the late 1990s.

The President's budget builds on this progress by reversing sequestration, paid for with a balanced mix of commonsense spending cuts and tax loophole closures, while also proposing additional deficit reduction that would put debt on a downward path as a share of the economy. The President has also made clear that he will not accept a budget that locks in sequestration going forward.

As the Joint Chiefs and others have outlined, and as I will detail in this testimony, sequestration would damage our national security, ultimately resulting in a military that is too small and insufficiently equipped to fully implement our defense strategy. This would reflect poorly on America's global leadership, which has been the one critical but defining constant in a turbulent and dangerous world. In fact, even the threat of sequestration has had real effects.

You don't need me to tell you that the President has said he will not accept a budget that severs the vital link between our national and economic security. Why? Because the strength of our nation depends on the strength of our economy, and a strong military depends on a strong educational system, thriving private-sector businesses, and innovative research. And because that principle – matching defense increases with non-defense increases dollar-for-dollar – was a basic condition of the bipartisan agreement we got in 2013. The President sees no reason why we shouldn't uphold those same principles in any agreement now.

The only way we're going to get out of the wilderness of sequestration is if we work together. I therefore appeal to members of Congress, from both parties, to start looking for ways to find a truly bipartisan compromise. I hope they can make clear to their colleagues that sequestration would also damage America's long-term strength, preventing our country from making pro-growth investments in areas ranging from basic research to early childhood education – investments that, in the past, have helped make our military the finest fighting force the world has ever known.

Sequestration is set to return in just over 200 days. Letting that happen would be unwise and unsafe for our national defense, over both the short and long term.

Short-Term Impact

DoD has had to live with uncertain budgets for the last three years, continuous and sudden downward revisions of our budget plans, and even a government closure. To continue meeting all of our mission requirements, we've done our best to manage through these circumstances, underfunding significant parts of our force and its support systems. Put bluntly, we have survived, but not thrived. Our military has made painful choices and tradeoffs among the size, capabilities, and readiness of our joint force, and we've amassed a number of bills that are now coming due.

That's why the department has been counting on and planning for a budget increase of roughly \$35 billion above sequestration-level caps in Fiscal Year 2016. If it looks like DoD will be operating at sequestration levels in 2016, on October 1 we will have to swiftly begin making cuts so that we don't end up \$35 billion short as we approach year's end.

A return to sequestration in Fiscal Year 2016 would affect all aspects of the department, but not all equally.

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More than one-third of the Fiscal Year 2016 cuts would have to come from Operations and Maintenance accounts, with unavoidable reductions in readiness and our ability to shape world events in America's interest. Let me put this more plainly: allowing sequestration to return would deprive our troops of what they need to accomplish their missions.

Approximately half of the cuts would have to come from the department's modernization accounts, undermining our efforts to secure technological superiority for U.S. forces in future conflicts. Because there are bills that DoD absolutely must pay – such as the salaries of our troops – many capabilities being developed to counter known threats from highly capable adversaries would be delayed or cancelled, deepening our nation's vulnerabilities at a time when the world is growing more dangerous, not less. Sequestration would put a hold on critical programs like our Aerospace Innovation Initiative, the Next Generation Adaptive Engine, the Ground-Based Interceptor missile defense kill vehicle redesign, and several space control efforts.

Deferring these investments is bad policy and makes the Defense Department less competitive for the future. What's more, it breaks faith with the troops of today and the troops of tomorrow. And it undermines the defense industrial base that is a critical foundation for our national security.

Long-Term Impact

If sequestration were to persist over time, the long-term consequences would be harder hitting. We would ultimately have a military that looks fundamentally different, and that performs much differently, from what our nation is accustomed to.

If we are forced to sequestration-level budgets, I do not believe that we can continue to make incremental cuts and maintain the same general set of objectives as we've had in our defense strategy. I will insist that new cuts be accompanied by a frank reassessment of our strategic approach to addressing the threats we face around the world – what we are asking the Armed Forces to do and to be prepared to do.

I cannot tell you right now exactly what that means – DoD is not resigned to the return of sequestration – but I can tell you that I will direct the department to look at all aspects of the defense budget to determine how best to absorb these cuts. No portion of our budget can remain inviolate.

What I will not do is let DoD continue mortgaging our future readiness and capability. I will not send our troops into a fight with outdated equipment, inadequate readiness, and ineffective doctrine.

Everything else is on the table.

What does that mean? We could be forced to consider pay cuts, not just cuts in the growth of compensation. We could be forced to consider all means of shedding excess infrastructure, not just working within the Congressional BRAC process. We could be forced to look at significant force structure cuts, not just trimming around the edges. We could be forced to ask our military to do – and be prepared to do – significantly less than what we have traditionally expected, and required of it.

I am not afraid to ask these difficult questions, but if we are stuck with sequestration's budget cuts over the long term, our entire nation will have to live with the answers.

A prolonged period of depressed defense budgets will almost certainly mean a smaller, less capable, and less ready military. No one can fully predict the impact on the future. But it could translate into future conflicts that last longer, and are more costly in both lives and dollars.

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That may sound severe to some, but it is a fact, and history should be our guide when we think about the true cost of sequestration.

The Case for Repealing Sequestration

I know I'm preaching to the choir here. If sequestration could have been reversed by just this committee and its counterpart in the Senate, it probably would have happened years ago. So I offer the following to Members of the Committee about what you can remind your colleagues when you ask for their vote to repeal sequestration:

Remind them that even after the increase we're asking for, DoD's budget as a share of total federal spending will still be at a near-historic low – a quarter of what it was during the Korean War, a third of what it was during the Vietnam War, and half of what it was during the Reagan buildup.

Remind them that the increased funding is for modernization that's critical to keeping our military's technological edge and staying ahead of potential adversaries.

Remind them that DoD has hands-on leadership from the very top – me – devoted to using taxpayer dollars better than they've been used in the past. You have my personal commitment to greater accountability, greater efficiency, and running this department better and leaner than before.

Remind them that sequestration's cuts to long-term investments will likely make those investments more costly down the line. All who bemoan unnecessary Pentagon program delays and the associated cost overruns should know that sequestration will only make these problems worse. I can easily sympathize with my non-defense counterparts in this regard; knowing how wasteful and inefficient sequestration would be at DoD, I have no doubt the same is true at other departments and agencies as well.

Remind them that sequestration's impact on our domestic budget will cause further long-term damage to our defense – because the strength of our nation depends on the strength of our economy, and a strong military needs strong schools to provide the best people, strong businesses to provide the best weapons and equipment, and strong science and research sectors to provide the best new innovations and technologies.

Remind them that we can't keep kicking this can down the road. The more we prolong tough decisions, the more difficult and more costly they will be later on.

VI. CONCLUSION

The men and women of the Department of Defense are counting on Congress to help assure the strength of our military and American global leadership at a time of great change in the world.

We must reverse the decline in defense budgets to execute our strategy and fund a modern, ready, leaner force in a balanced way. We must seize the opportunity to enact necessary reforms in how we do business. And we must bring an end to the threat sequestration poses to the future of our force and American credibility around the world.

As you evaluate the President's budget submission, I encourage you and your colleagues to keep it in perspective.

In the years since the President's Fiscal Year 2012 budget request – the benchmark for cuts prescribed under the 2011 Budget Control Act – DoD's 10-year budget projections have

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absorbed more than \$750 billion in cuts, or more than three-quarters of the trillion-dollar cuts that would be required should sequestration be allowed to run its course. And while some claim this is our biggest budget ever, the fact is, as a share of total federal spending, DoD's Fiscal Year 2016 budget is at a near-historic low – representing about 14 percent of total federal discretionary and non-discretionary outlays. DoD's total budget remains more than \$100 billion below what it was at the height of the wars in Iraq and Afghanistan.

I think we can all agree that the world in 2014 was even more complicated than we could have foreseen. Given today's security environment – which has over 200,000 American servicemembers stationed in over 130 countries conducting nearly 60 named operations – our proposed increase in defense spending over last year's budget is a responsible, prudent approach.

Some of you may recall how, in 1991, after America's Cold War victory and amid doubts about America's engagement with the world and calls for a bigger domestic peace dividend, a bipartisan group in Congress stepped forward to help shape America's global leadership and make long-term decisions from which we continue to benefit.

Senators Sam Nunn and Dick Lugar helped craft, pass, and pay for the small Cooperative Threat Reduction Program that allowed the United States and DoD to provide the funding and expertise to help former Soviet states decommission their nuclear, biological, and chemical weapon stockpiles.

The Nunn-Lugar program was initially opposed abroad, and there were also doubts at the Pentagon about whether we could implement it without losing track of funding. I know. I helped lead the program in its early years. But with slow and diligent effort by American defense officials, the Congress, and our foreign partners, it worked.

It helped prevent weapons of mass destruction from falling into the wrong hands. It helped establish a pattern of international cooperation and global norms in the post-Cold War international order. And, in the light of the current instability in Ukraine, it might have staved off several variants of nuclear disaster.

But it also set an important precedent for our work on this budget and in the years ahead. It shows what Congressional conviction – especially when it is bipartisan – can accomplish in foreign policy. It shows the value of foresight and planning for an uncertain future. And it shows how spending a relatively few dollars today can generate huge value down the line.

As the new Secretary of Defense, I hope it will be possible to again unite behind what our great nation should do to protect our people and make a better world, and provide our magnificent men and women of the Department of Defense – who make up the greatest fighting force the world has ever known – what they deserve.

Thank you.

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Mr. FRELINGHUYSEN. General Dempsey.

STATEMENT OF GENERAL MARTIN DEMPSEY

General DEMPSEY. Thank you, Mr. Chairman, Ranking Member Visclosky, other distinguished members of this panel and subcommittee. I appreciate the opportunity to provide you an update on the Armed Forces and to discuss our defense budget for 2016. Let me—I wasn't prepared, or I haven't even confronted the fact that this might be my last appearance before this committee, so let me thank you for the very kind words. And it has been a tumultuous 4 years with many challenges, but I have been surrounded by a great team made of service chiefs, service secretaries, Secretaries of Defense, and the great civilians that support us in the Office of the Secretary of Defense. And I can't think of another time in our history when I would rather have served, because I think service is a blessing and, in particular, when you feel like you can actually make a difference for our country and for the men and women who volunteer to serve. So thank you very much for the kind words.

Our military remains strong today, but we can't and must not take that for granted. I will actually abbreviate my statement—I was doing that while you were speaking, Mr. Secretary—by deferring the many security challenges we face to the Q&A, to the question and answer. And I will just jump straight to a brief comment on the budget itself.

The global security environment is as uncertain as I have seen in my 40 years of service. And we are at a point where our national aspirations are at genuine risk of exceeding our available resources.

We have heard the Congress of the United States loud and clear as it has challenged us to become more efficient and to determine the minimum essential requirements that we need as an Armed Force to do what the Nation asks us to do. PB-16 is that answer. In my judgment, this budget represents a responsible combination of capability, capacity, and readiness. It is what we need to remain at the bottom edge of manageable risk to our national defense. There is no slack left. We have been working on the slack for the last 3 years. There is no margin of error nor any buffer built in to strategic surprise.

Funding lower than PB-16 and a lack of flexibility—and what I mean by that is the reform measures that we have—internal reform measures that we have proposed. By the way, this group of chiefs has made more proposals on changing pay compensation, healthcare, infrastructure, and weapon systems than any in history. It has been a difficult journey and a difficult debate on doing that. It has been difficult to communicate to our men and women serving why we have to do it. But we have taken that responsibility on and have made several recommendations to you on internal reforms, and we certainly need both the top-line increase that the President has provided, but just as importantly, the reforms that we have requested.

If we get anything lower than PB-16 or if we don't get some of the flexibility that we have baked into the budget, then we will have to change our strategy. Now, that may not—that may be a bit

abstract to you. I would be unhappy to unpack that a bit today. We think our strategy is what the Nation needs. And if we can't execute it, what I will be saying to you is that we are not doing what the Nation needs us to do.

For the past 25 years, the U.S. Military has secured the global commons. We have been very effective at deterring adversaries. We have reassured our allies. And we have responded to conflict and crises by maintaining our presence abroad. It has been our strategy to shape the international security environment by our forward presence and by building relationships with regional partners. In general terms, one-third of our force is generally deployed, one-third is just back, and one-third is getting ready to go. Of necessity, certain of our capabilities have actually deployed with half of the available capability forward and the other half back, recovering. This, as you know, puts a significant strain on those who serve in those particular specialties and their families.

Sequestration will fundamentally and significantly change the way we deploy the force and shape the environment. We will be almost 20 percent smaller when all is said and done from where we started, and our forward presence will be reduced by about a third. We will have less influence and we will be less responsive. Conflict will take longer to resolve, and it will be more costly in both dollars and in casualties. In an age when we are less certain about what will happen next but we are very certain that it will happen more quickly, we will be further away and less ready than we need to be. Simply stated, sequestration will result in a dramatic change in how we protect our Nation and how we promote our national security interests.

Mr. Chairman and members of this committee, our men and women in uniform are performing around the globe, as the Secretary said, with extraordinary courage, character, and professionalism. We owe them and their families clarity and, importantly, predictability on everything from policy to compensation, healthcare, equipment, training, and readiness.

Settling down uncertainty—and, by the way, the reason I am so passionate about asking you to settle down our budget and to do as the Secretary said, get us out of this cycle of one year at a time is that I would like to have at least one variable in my life fixed. And I think the one that is most likely to have an opportunity to be fixed is, in fact, our resources. But in any case, if we do that, if we successfully settle down our budget uncertainty, get some flexibility and some time to absorb the reductions we have already been given, then, I think, we will keep the right people who are really our decisive edge in the all-volunteer force and maintain the military that the American people deserve and, frankly, expect.

I am very grateful for the continued support of our men—that our men and women in uniform receive from you and the Congress of the United States, and I look forward to your questions. Thank you.

[The written statement of General Dempsey follows:]

HOUSE APPROPRIATIONS COMMITTEE -- DEFENSE

POSTURE STATEMENT OF
GENERAL MARTIN E. DEMPSEY, USA
18TH CHAIRMAN OF THE JOINT CHIEFS OF STAFF
BEFORE THE 114TH CONGRESS
HOUSE APPROPRIATIONS COMMITTEE
DEFENSE SUBCOMMITTEE
FY16 DEPARTMENT OF DEFENSE BUDGET
MARCH 4, 2015

HOUSE APPROPRIATIONS COMMITTEE -- DEFENSE

Chairman Frelinghuysen, Ranking Member Visclosky, members of this subcommittee, it is my privilege to report to you on the state of America's Armed Forces, the changes in the global security environment, and the opportunities and challenges ahead.

I am exceptionally honored to represent the men and women of our Armed Forces. Those who defend this Nation and the families who support them remain our most valuable national treasure and our competitive advantage. Deeply experienced from fourteen years of continuous deployments in harm's way, our All-Volunteer Force has been adaptable and resilient beyond expectation. Our men and women in uniform have performed around the globe with extraordinary courage, character, and professionalism. I am grateful for the continued support they receive from this distinguished body and from the American people.

What makes America's Armed Forces who we are is our *ability to provide options* to the national command authority and our elected leaders to keep our Nation safe from coercion. The American people and our Allies expect that of us.

Our military remains strong today. However, with threats proliferating, resources declining, and sequestration just months away, our ability to assure our allies is in question and our advantages over our adversaries are shrinking. *This is a major strategic challenge affecting not only our military, but ultimately, America's leadership in the global world order.*

With your support, we can – and we must – sustain our military's decisive edge by prioritizing investments in readiness, training, modernization, and leader development. We must make the tough, but necessary choices in our strategy, our structure, and our resources for our Nation's future. Our men and women in uniform and the American people are trusting us to get it right.

Joint Force Operations

It has been an extraordinarily busy time for America's military. During the past twelve months, the men and women of our Joint Force have been on point around the world. They have maintained our enduring global commitments, bolstered long-term partnerships, and responded to new threats.

Over the past year, the Joint Force continued to support the Afghan National Security Forces through the first democratic transfer of power in Afghanistan's history. My regular visits to Afghanistan reinforce just how much our coalition and Afghan partners have accomplished together over thirteen years of significant investment. The end of 2014 marked the completion of the International Security Assistance Force (ISAF) mission. While Afghanistan is headed in the right direction towards a fully-functioning inclusive government, the path is neither a straight line, nor is it short. Moving forward with NATO's Resolute Support mission, our remaining force of about 10,000 troops will assist our Afghan partners in strengthening the Afghan institutions, systems, and processes that will support long-term security and stability—ultimately giving the Afghan people the opportunity to succeed on their own.

At the same time, the force has maintained pressure on Al Qaeda, the Islamic State of Iraq and the Levant (ISIL), and other violent extremist groups both directly and through our partners where US and allied interests are threatened. We have reinforced our commitment to our NATO allies in Europe in the face of Russian aggression. We have helped to address urgent humanitarian crises such as the Yazidi refugees trapped on Mount Sinjar and the Ebola outbreak in West Africa. We have maintained an active presence in the South and East China Seas, while remaining prepared to respond to provocations on the Korean Peninsula. And we have campaigned against sources of instability in Africa and in Latin America.

We have also postured with our interagency partners to reinforce security to our homeland—to include providing ballistic missile defense, countering persistent threats of terrorism, and improving our defenses against cyber-attack on government networks and critical infrastructure.

In the near term, we will sustain – in some cases adjust – these commitments around the globe to protect our national security interests. And, while our global mission requirements have decidedly gone up, we will manage all of these demands with constrained resources. Consequently, we will have to assume higher risk in some areas to create opportunity in others.

The Changing Security Environment

Our understanding of the security environment carries important consequences for our Nation and for our military. It drives our strategy and budget, shapes the size, structure, and capability of the force, and affects where and when we send America's sons and daughters into harm's way.

Last year, I stated that the global security environment is as fluid and complex as we have ever seen. That has certainly played out over the past twelve months. We have seen significant shifts in an already complex strategic landscape—increasingly capable non-state actors who are taking advantage of the internal conflict within Islam *and* the reemergence of states with the capability and potentially the intent to constrain. This is *increasing the strain on the international order*.

In what I often term the “heavyweight” category, Russia's coercive and destabilizing actions have threatened NATO's eastern flank. Russia is investing deeply in advancing their capabilities across the board, especially in Anti-Access Area-Denial (A2AD) and cyberspace. Meanwhile, China is also fielding new defense platforms at a startling pace. In almost everything we do globally, we must consider the second- and third-order effects on our relationships with Russia and China.

In the “middleweight” category, Iran seeks to be a hegemon in the Middle East. Beyond Iran’s nuclear aspirations, as one of the world’s leading exporter of arms, Iran employs surrogates and proxies in many places across the globe. Iran is also becoming increasingly more active in cyberspace. We have significant interests in the region that would not be well-served should Iran achieve their purposes.

North Korea is the other “middleweight.” Cyclical provocations by North Korea have increased the risk of potential miscalculation. We must use all instruments of national power to ensure North Korea does not achieve its intentions. We have a large stake in maintaining stability on the Korean Peninsula and supporting our Republic of Korea ally.

We are also seeing power in the international system shifting below and beyond the nation-state, particularly across the network of radical movements that use terrorism as a tactic. This network extends across an already unstable Middle East and North Africa, vis-à-vis the complex situations we have seen unfold over the last year in Libya, Gaza, Iraq, Syria, Nigeria, and Yemen. Within the trans-regional terror network, we have seen ISIL gain prominence in Iraq and Syria, while inspiring existing radical franchises like Al Qaeda affiliates and Boko Haram to rebrand themselves into an even more aggressive ideology. That is what makes this movement so dangerous.

With our partners, we must keep relentless pressure across the entire network with our full suite of capabilities to include intelligence, building partners, and in some cases, direct action. At the same time, we must be careful not to fixate on a single group, nor paint these violent extremist groups all with one brush. We have to apply the right mix of tools of national power at the right time, over the right length of time, in order to make a difference. Even more challenging is keeping pressure on a network that adapts and metastasizes. Overmatch in size and technology matters,

but *the rate in which we can innovate and adapt relative to these non-state actors matters more*. This is a generational challenge.

Running north and south in our own hemisphere, the well-financed transnational organized criminal network is growing extraordinarily capable. Beyond a drug trafficking network, it is capable of moving anything from arms and unaccompanied children to terrorists and weapons of mass destruction. This network deserves more attention not just because of its effect on the social fabric of our country, but because of the effect it could have – and is having – on the security of our Nation.

In cyberspace, our adversaries have become increasingly more capable, attempting to level the playing field in this critical domain. While we have expanded authorities and capabilities to defend our military networks, critical civilian infrastructure and private sector companies are an Achilles' heel in our Nation's security. Together, we must reconcile these issues. To this end, cybersecurity legislation that facilitates information sharing and encourages public-private partnerships is required to ensure our continued security and prosperity. Staying ahead of our adversaries in the cyber domain will require a concerted effort of the whole nation.

Across the board, *as the international order trends towards instability, strategic risk trends higher*. And, while our potential adversaries grow substantially stronger, most of our allies are growing more dependent on sustained US assistance. I believe these trends will continue.

We must bring to bear every tool of national power in America's arsenal in coordination to address these emerging trends. Likewise, deepening relationships of trust with our allies and building the capacity of our partners to be more *self-sustaining* will be even more vital in the years ahead.

Preparing the Joint Force

Within the context of the rapidly evolving security landscape, the Joint Force of the future will require exceptional agility in how we shape, prepare, and posture. Here are my five guideposts to sustain and improve the force:

The All-Volunteer Force (AVF)

Our competitive advantage is our people and their adaptability. I firmly believe that our Nation needs a professional All-Volunteer Force (AVF). The AVF is the right force for this Nation and the Nation should never take it for granted. Conversely, the force has earned the trust and confidence of the American people and must renew that contract daily.

As part of strengthening the AVF, the Joint Chiefs and I are committed to offer everyone in uniform equal professional opportunities to contribute their talent. We are removing the legacy gender-based barriers to service that no longer make sense. The Services are progressing through validation of occupational standards and are on target to recommend final decisions to integrate remaining closed positions or any exceptions to policy by the end of the year.

To keep the AVF on a viable path, getting our personnel costs in balance is a strategic imperative. Ultimately, we need to make sure that we can continue to recruit, retain, equip, and train the best fighting force on the planet and fairly compensate America's best for their service.

We owe our men and women some clarity – and importantly, predictability – on everything from policy to compensation, health care, equipment, training, and readiness. Frankly, right now we are not delivering. Settling down uncertainty in our decision making processes will help keep the right people in the Service. To this end, I want to continue working with

Congress to address the growing imbalances in our accounts in a sensible, holistic way that preserves the All-Volunteer Force well into the future.

As such, we are looking closely at the recommendations of the Military Compensation and Retirement Modernization Commission. We are pleased that the commission supported our request to grandfather any changes to retirement pay for those currently serving and retirees. And we will continue to place a premium on efforts that support wounded warriors and mental health.

We will also keep working with the Department of Veterans Affairs, other agencies, veteran service organizations, and communities across the country to make sure those who are transitioning home and reintegrating into civilian life have access to health care, quality education opportunities, and meaningful employment. This especially includes those with enduring mental and physical challenges. I appreciate Congress for recently passing legislation to improve the access of veterans to mental health and suicide prevention services.

This remarkable generation is not done serving. As such, the Joint Chiefs and I recently signed a *Call to Continued Service* letter that will go to all transitioning service members, encouraging them to keep serving the Nation in their communities. Our collective effort to enable our veterans and their families to continue contributing their strengths is a direct investment in the future of America.

Preserving Jointness

Our military has become more integrated operationally and organizationally across the Services and across the Active, Guard, and Reserve components, especially over the past decade. However, the institution tends to work like a rubber band—if you stretch it and then release it, it will return to its normal form and shape. This is especially true in a resource-constrained environment. This tension comes at a time when

our ability to win together through jointness is at its peak. The Joint Chiefs and I are committed to preserving the strength we have gained as a more seamless force. We are likewise committed to preserving the vital relationships with our interagency partners.

Additionally, across the Services, we are resetting how we train and develop our forces for conflict across the spectrum. For the past decade, the Joint Force primarily focused on counterinsurgency centered in the Middle East. As we work to institutionalize the lessons of our recent wars – for example, by establishing building partnership capacity as a competency of the entire force, not just Special Forces – we are also working to restore balance and strategic depth in our capabilities. This includes those critical conventional areas that were deemphasized over the past decade by necessity.

Concurrently, we are adapting how we engage and posture around the world in ways that are more dynamic, more strategic, and more sustainable. We are reevaluating how we employ our assets around the globe to better identify opportunities that generate the greatest advantages. And, we are developing new approaches across and within commands in how we assign, allocate, and apportion forces inside a broader interagency construct.

We are also adapting our learning institutions to maximize the diverse talent of our men and women and to better cultivate agile thinkers for a global Joint Force. Within our Joint Professional Military Education (JPME) programs, we are mapping desired strategic leader attributes to the curriculum to ensure we are delivering them.

And, we are undergoing an integrated, Department-wide effort to identify and invest in innovative ways to reverse the erosion of US technological superiority—ensuring that our military remains dominant now and in the future. We are seeking innovation not only in technology, but also in leader development, wargaming, operational concepts, and business processes.

The Defense Industrial Base

Our Nation cannot sustain the world's finest military without also *sustaining the world's strongest and most innovative defense industrial base* (DIB).

An enduring source of strategic advantage, we count on the defense industry to be able to research, develop, produce, deliver, and maintain the world-class weapons systems on which our military has long relied.

I remain concerned that an unstable budget environment will promise long-term damage to critical segments of the DIB, most significantly in the small businesses that support our Nation's defense. Furthermore, sequester-level cuts will lead to a hollow DIB that no longer holds all of the critical design and manufacturing capabilities our military needs.

A strong, efficient, and technologically vibrant defense industry is fundamental to securing our Nation's defense.

Our Allies

Our alliances remain paramount to our own security. We are far more effective when we have a global network of capable partners with shared values. Our Allies and partners provide vital basing and access, offer complementary military capabilities, and help shape outcomes towards a common purpose. Improving partner capability and capacity in targeted ways is an important component of our military strategy.

We are continuing the rebalance to the Asia Pacific as part of our government's larger priority effort to foster stability and growth in that region. We have old and new partners in the Asia Pacific and we will continue to develop our relationships, engage more at every level, and shift assets to the region, over time.

Europe remains a central pillar to our national security and prosperity. NATO has the capability and must sustain the will to address the threats to its eastern and southern flanks. In the near term, we will continue to reassure allies and improve NATO's readiness. Over the long term, we will adapt our strategies and structures to meet new realities. NATO is and will remain the most important and most capable alliance in history.

In every theater, we must *guard against a slow erosion of our alliances* and be careful not to shunt the steady work required to sustain these ties. Remaining the security partner of choice increases our Nation's collective ability to safeguard common interests and support greater stability in weaker areas of the world.

The Profession

Rekindling our understanding and our resolve as a profession continues to be one of my foremost priorities as Chairman. On and off the battlefield, we must always be good stewards of the special trust and confidence gifted to us by our fellow citizens. We owe it to the American people and to ourselves to look introspectively at whether we are holding true to the bedrock values and standards of our profession.

The vast majority of our force serves honorably with moral courage and distinction every day. But failures of leadership and ethics, and lapses of judgment by a fraction of the force show that we still have work to do.

We are seeing substantial progress in sexual assault prevention and response, however, we will remain laser-focused on reinforcing a climate where sexual assault is unacceptable, not just because it is a crime, but because it is completely counter to our core values.

All of these issues have my ongoing and full attention. We know *we own the profession* and must reinforce the enduring norms and values that define us to continue to be a source of trust and pride for our Nation.

Resourcing our Defense Strategy

I stated last year that the balance between our security demands and available resources has rarely been more delicate. The National Security Strategy (NSS) released last month addresses some of our top concerns—the decline in military readiness, the strategic risk that will result should sequester-level cuts return, and the need to pursue greater integration with our Allies and partners. *We need the full proposed President’s Budget (PB) for Fiscal Year 2016 to support this strategy and to maintain the military the American people deserve and expect.*

PB16 reverses the decline in national defense spending of the past five years and helps ensure we can manage risk, meeting near-term defense needs while preparing for the future. It represents a responsible combination of capability, capacity, and readiness investment—leading to a Joint Force that is global, networked, and can provide options for the Nation. As the risks to our national security are increasing, this budget resources the force to remain capable, ready, and appropriately sized—able to meet today’s global commitments and prepare for tomorrow’s challenges.

The Joint Chiefs and I fully support the PB16 budget. It is what we need to remain at the *lower ragged edge of manageable risk* in our ability to execute the defense strategy.

However, *we have no slack, no margin left for error or strategic surprise.* And, we remain concerned that we still lack support for the reforms necessary to ensure that the Joint Force is combat ready and that we can preserve military options for our Nation into the future. We need

budget certainty and we need flexibility to reset the force for the challenges we see ahead.

Congress – and the American people – challenged us to become more efficient and to determine the *minimum floor* we need to be able to do what the Nation asks us to do. PB16 is that answer. Funding lower than PB16, especially if sequestration-level cuts return next year, combined with a lack of flexibility to make the reforms we need, *will render the overall risk to our defense strategy unmanageable*. In other words, our Nation's current defense strategy will no longer be viable.

I ask Congress to support the entirety of this budget and end the deep, indiscriminate cuts that sequestration will impose.

Thank you for your enduring support.

RELATIONSHIP WITH IRAN REGARDING IRAQ

Mr. FRELINGHUYSEN. Respectfully, it may be implied in my opening statement, is clarity of foreign and military policy. I think members who looked at their Wall Street Journal headline yesterday, "Iran Backs Iraqi Offensive As Pentagon Steers Clear." I know you were before the Senate yesterday. And I have to say, well, the untold story is that not only did we leave a vacuum for ISIS, but we have Iran in Iraq in a way that most Americans are totally unaware of.

We have a public commitment to train and equip a complex group of Sunnis and Shiites. And what are the Iranians doing with the Quds force. They have trained and equipped and motivated thousands of people. And there is a strong likelihood, as they move on Tikrit and perhaps on Mosul, that you could have a total disintegration of the entire country. So there is a mixture of policy and resources. And so I do have a few questions.

Are we neutral with Iran these days, considering the crimes that have been committed against humanity, not only our own? Is anybody ever going to hold Iran accountable? I know we are keeping our distance physically from them in Baghdad. Have we ceded most of the governance of Iraq to Iranian choices? It is a good question. And will the military operations that are undergoing, which we are watching, divide the country and require us in some ways to spend more of our resources?

So I would like to talk about just a case in point. We can point to what is happening in Ukraine, our evacuation from Yemen, the terrible mess in Libya. But a lot of it is associated with a lack of clarity as to where we are, what our leadership position is. Could we focus on Iran?

Mr. Secretary.

Secretary CARTER. Surely. First of all, Mr. Chairman, let me say that I absolutely share your concern about the role of Iran in Iraq and the wider region.

Mr. FRELINGHUYSEN. Yeah.

Secretary CARTER. But just to focus on Iraq for a moment, the—what created the vacuum and the opportunity for ISIL in Iraq was the re-emergence of sectarianism. And I think that, going forward, what we are trying to support, including in our train and equip, is a strong multisectarian Government of Iraq. That is our objective.

Now, if you ask me, is that a sure thing, I would say no, and I would say that that is our objective; that is our hope; that is the only thing that can bring stability to Iraq, and I think it is the fastest route to the defeat of ISIL.

Mr. FRELINGHUYSEN. Some would suggest—I say this respectfully again—that the Shiites and the Sunnis, that there was—you didn't have to go too far below the skin to find the resurgence. I mean, the killings that were perpetrated in the period of time after we left Iraq would never be forgotten by those who—those in the country who were killed or maimed or kidnapped or slaughtered.

Secretary CARTER. No. I completely agree with you. And sectarianism is one of the things that concerns me very much. And, of course, it is the root of the Iranian presence in Iraq. And to get to around and around the region, you mentioned several other

places where Iranian influence is concerning to us and we need to watch very closely. So I just share your concern about—

OVERSEAS CONTINGENCY OPERATIONS

Mr. FRELINGHUYSEN. And about the only area that we have to look for funds is the Overseas Contingency Operations, OCO. It used to be called the war on terrorism. Now it is the OCO fund. That is the only area where we have the flexibility to meet all these various challenges and enemies.

Secretary CARTER. Yes. Thanks in part to this committee, OCO has been a major source now for many years of the budgetary flexibility that we need to respond to new contingencies. So this year we are asking for OCO funding for the campaign against ISIL. We are asking OCO funding to continue the campaign in Afghanistan and make sure the success there sticks—again, not a sure thing, but something that we need to make sure sticks. And you mentioned Ukraine as well, the European reassurance initiative, all those—

Mr. FRELINGHUYSEN. Well, the issue here—my point is, and I will turn to Mr. Visclosky. What are our plans? I mean, hope is not a plan. We hope things go well in Iraq. In other parts of the world, things have not gone so well and people are sort of looking to us to see whether we are going to step in and provide some degree of leadership.

Mr. Visclosky.

AUDITABLE FINANCIAL STATEMENTS

Mr. VISCLOSKY. Thank you, Mr. Chairman. The first comment I would make, and both Secretary and General Dempsey also alluded to it in referring back to my opening statement, Secretary, in your prepared statement you say, at the same time, Congress—talking about the need to make decisions, particularly in the arena of personnel issues, has sometimes fought to protect programs that DOD has argued are no longer needed or required significant reform. Again, I agree with your assertion. I wouldn't suggest that the Department is always right in every characteristic. On the other hand, we simply cannot continue down this road as far as the allocation of your resources, whether at BCA level or we are \$33 billion above. So certainly agree with that.

Mr. McCord, I think my first question would be directed to you. I was very pleased to see that the statement of budgetary resources for the Marine Corps received an unqualified opinion. And, as I do every year when the Comptroller appears, I ask about the goal of achieving auditable results for the Department by 2017 and wonder where we are in that regard?

Mr. MCCORD. Thank you, Congressman. We have taken a big step in December. We put—we went on contract, the Army, the Navy, and the Air Force had to follow in the steps of the Marines to do the statement of budgetary resources stage 1, which is called a schedule of budgetary activities. So we have gone from years of thinking about it, planning for it, to actually being in the game, having auditors on the ground who are now working with our military departments to tell them where we are up to par and where we are not up to par. And I am not sure we are going to like all

the answers that we hear from that. But it is a big change to actually be doing it as opposed to planning for it. So that is really the big thing that we are working with our military departments on this year, is actually being under audit for not just the Marines, as important as it is, but the much bigger other three departments, other three services.

HEALTH OF THE NUCLEAR ENTERPRISE

Mr. VISCLOSKY. Appreciate it very much.

Just one other question, Mr. Chairman, and that is on the nuclear component of the Department of Defense. The focus of much of the work that we do in relationship to the Department of Defense are from threats from powers we would not consider major powers, as lethal and as destructive as they are. And as we proceed, if you would, with the issue of modernization, you look at some of the issues that the Air Force has confronted as far as their bomber fleet, as far as the control of the silos. Are some of the triads, are we in danger of some hollowing out of them? And is there a reconsideration, given limited resources, as to whether or not a triad is what is still called for in the future?

General DEMPSEY. Thank you, Congressman. The Joint Chiefs and I remain committed of the belief, and it is our advice that the triad remains an essential factor in our nuclear deterrence. And as you are well aware, I think the former Secretary of Defense conducted or directed a review of the nuclear enterprise. Because over the course of time when we were focused on, as you said yourself, on nonstate actors, that enterprise had—we failed to take appropriate attention to it in terms of its leader development, of its infrastructure, and its modernization.

You will see in this budget, of course, that at the end of that review, the Secretary went forward to the President and requested additional top line for that very reason, and the President agreed to provide it. So if you are asking me about nuclear strategy—by the way, the man sitting to my left probably knows more about nuclear issues than anyone in the government. But from the military perspective, we remain convinced that the triad is the appropriate formulary for the nuclear enterprise.

Mr. VISCLOSKY. Thank you very much. Thank you, Mr. Chairman.

ELECTRONIC HEALTH RECORDS

Mr. FRELINGHUYSEN. Chairman Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

Gentlemen, welcome to the hearing. Mr. Secretary, congratulations—

Secretary CARTER. Thank you, Chairman.

Mr. ROGERS [continuing]. On your elevation. We wish you all the best in the world.

Secretary CARTER. Thank you, Chairman.

Mr. ROGERS. Let me briefly ask you—and I think it has been touched on already. I am sorry I am late to the hearing. We have had two others—

About the electronic record system, medical records. People have heard me tell this before, and I apologize for that. But a young vet-

eran came to me a few years ago from my district. He was severely injured in Iraq, lost one eye. The other eye was severely disabled, but he could still see. So he is discharged. His good eye begins to act up as well, so he goes to the VA Hospital in Lexington, and they do nothing because they couldn't get his records from the military, from DOD, from the operations that took place in Germany after he was injured. So they were afraid to operate because of what they didn't know was in there. So he lost his eye simply because the VA could not get the medical records of his service in the military. That is completely unacceptable to cause a young man to lose the sight in his eyes because of bureaucratic ineptitude.

We have been on a tear on this committee now for a few years to straighten that out. DOD says, oh, yes, we are going to fix it. VA says, oh, yes, we are going to fix it. But they still keep to their own systems. And for the life of me, I can't understand why you can't interoperate between VA and DOD on medical records, of all things, because people's lives are depending on it. Could you help me out with that, Mr. Secretary?

Secretary CARTER. Well, I can help you out to the following extent. I completely share your frustration with this. I don't know this particular case, but the way I think about it is a Soldier, Sailor, Airman, or Marine, there is only one soldier, but there are two cabinet departments. They shouldn't have to worry about that.

Mr. ROGERS. Exactly.

Secretary CARTER. They shouldn't have to worry what we are doing here in Washington and so forth.

Mr. ROGERS. Yeah.

Secretary CARTER. And I am familiar with this situation from previous service, but I really want to work with Bob McDonald, our Chairman of Veterans Affairs. I think it is very important that they not see two different cabinet departments.

And with respect to the electronic health records, we can make them interoperable. This is not something that is not done every day out in our society. There are lots of medical systems that merge, one bought by the other. It happens every day all over the country. It is a very dynamic part of our economy. It is a large piece of our economy. And there are many, many medical record systems that need to be merged. So, this is something that can be done and needs to be done so that there aren't cases like the one you cite. There is no technological barrier to making the two electronic health records interoperable.

Mr. ROGERS. Well, you know, Mr. Secretary, I thank you for that sentiment, but I have heard that for 8 years now from different Secretaries, VA Secretaries as well as DOD Secretaries. And nothing happens. And we have poured money into this. How much money have we put into it?

Secretary CARTER. There has been money.

Mr. ROGERS. Since June of 2008.

How many billions?

Mr. VISCLOSKEY. Several billions.

Mr. FRELINGHUYSEN. At least \$2 billion.

Mr. ROGERS. So we are pouring money at the problem and why can't we get it fixed?

Secretary CARTER. I think we can get it fixed. I think we have to get it fixed, and I share your frustration about all those years and all of those dollars. And the work that has been done needs to be leveraged into a final solution here. It doesn't have to be the case that VA and DOD have the same system. They have to have interoperable systems. And again, this is something that the private sector wrestles with all the time, and there is no reason why we can't do it. And I just come back to the fundamental starting point, which is it is unfair to the servicemember to make them have to worry about how our government is organized.

Mr. ROGERS. I thank you, Mr. Secretary. And we will stay in touch with you on this, if you wouldn't mind.

Secretary CARTER. Absolutely. And I invite you to. And, believe me, I will pay attention to it.

Mr. ROGERS. Less than a year ago, the chairman and I called a meeting between the DOD Secretary at the time and the VA Secretary at the time, both of whom have since left, and they promised this immediate, speedy action. And I have yet to see one marble roll down the hill. So I know how tough this issue apparently is to the bureaucracies to give up a little bit of their turf to get a common system. But I have confidence that you will do this, Mr. Secretary.

Secretary CARTER. It shouldn't be tough, Chairman. And it is a fair question, and I will make sure I work it readily.

AUTHORIZED USE OF MILITARY FORCE

Mr. ROGERS. Let me switch gears completely and talk about AUMF. Two weeks ago, the President called on Congress to issue a formal authorization for the use of military force against the Islamic State, including authorizing the use of Armed Forces in the fight against ISIL, but with certain limitations, reporting requirements, and for only 3 years. Specifically, the draft would "not authorize the use of United States Armed Forces during offensive ground combat operations." What is enduring?

Secretary CARTER. Excuse me. Thank you, Mr. Chairman.

First let me just say, as I understand that there is going to be a debate over the terms of the AUMF, and I just want to say about something where I come from on that as Secretary of Defense. There are two things that are important to me in the AUMF, and the first one is that it give us the flexibility we need to defeat this opponent. That is the most important thing.

And the second important thing to me is that the AUMF that emerges from this discussion be something that is widely supported so that our people who are conducting that fight see a country united behind them. That is terribly important. And so those are the two things that most important to me. You mentioned the 3-year item. That is not something that I would have deduced from the Department of Defense's necessities, the campaign's necessities, or our obligation to the troops. I think it has to do with the political calendar in our country. I understand that. That is a constitutional issue wherein the executive branch and the legislative branch share responsibility for the conduct of military operations.

I wouldn't assure anyone that this will be over in 3 years or that the campaign will be completed in 3 years. The 3 years comes from

the fact that there will be a presidential election in 2 years and so forth, and I respect that. That is not a military or defense consideration, but I respect it as a constitutional consideration.

Mr. ROGERS. Yeah. Do you anticipate putting additional U.S. troops on the ground in Iraq or introducing troops to Syria?

Secretary CARTER. I think that with respect to American ground troops, that is a question that will hinge upon what is required for success there. I think the Chairman has said—and I will let him speak for himself—but I would say the same thing, that we will make recommendations for the character of American assistance to this campaign that guarantee its success, and we will do that as the need arises. And that is certainly my view. And let me just ask the Chairman to—

General DEMPSEY. What you can be assured of, Chairman, is that if the commander on the ground approaches either me or the Secretary of Defense and believes that the introduction of Special Operations Forces to accompany Iraqis or the new Syrian forces or JTACs, these skilled folks who can call in close air support, if we believe that is necessary to achieve our objectives, we will make that recommendation.

Back to the AUMF, we believe we have that authority to make that request within the AUMF as it is currently crafted. And I get the question about enduring as well. The word “enduring” is not a doctrinal term in military lexicon. But I also have a master’s degree in English literature from Duke University. “Enduring” is clearly an expression of the Commander in Chief’s intent within the document.

COUNTER TERRORISM STRATEGY

Mr. ROGERS. Mr. Secretary, at your conference last week at Camp Arifjan, reports were that you were seeking a deeper understanding of the strategy. You have previously said that you believe the U.S. must rethink its approach to countering terrorism in general, partly in light of the emergence of the Islamic State in Iraq and Syria.

Given your concept of the U.S. strategy with regard to countering terrorism, would you please walk the committee through our current strategy and explain whether you have determined that alternatives are necessary?

Secretary CARTER. Certainly, Mr. Chairman, I will. Let me do it in three pieces: the Iraq piece, the Syria piece, and the regional or wider. All three of those were part of our discussions last week. That is the reason to have our diplomatic folks and our military folks from the entire region who worked this problem get together. And let me just say right at the beginning, I was so impressed with the wisdom at that table. I mean, you would be very proud, I certainly was, of team America in that region.

And ISIL is obviously a difficult challenge. But our approach to it is in Iraq to work with the Iraqi security forces and the Iraqi Government to support a multisectarian government in Iraq that can, over time, reclaim the territory lost to these extremists and drive them out of the country.

We were discussing earlier the issue of sectarianism and the problem of sectarianism in Iraq, and I am not sanguine or casual

about that, but that is what we are trying to get the government of Abadi to pursue, and that is the spirit in which we are working with the Iraqi security forces.

On the Syrian side of the border, we are also trying to train and equip moderate Syrian opposition. That is not as large an established institution as the Iraqi security forces is, nor is it—is there a sovereign government there that we are willing to support. On the contrary, the sovereign Government of Syria is the government of Bashar al-Assad, whom we think needs to go. That creates a much more difficult situation wherein we are trying to create a third force that can both combat ISIL and set the conditions for the eventual removal of Bashar Assad. So that is the effort on the Syrian side.

In the region as a whole—and this gets to your larger question about the nature of counterterrorism—ISIL is now, we see, we observe popping up in other places. In fact, I was in Afghanistan and talking to President Ghani there, who is quite concerned about ISIL in Afghanistan. Why? What is going on there?

Well, in his telling—and I think this is our understanding as well—there are a lot of extremists who—and terrorists who are re-branding themselves as ISIL who previously belonged to other groups, and they find that those groups don't offer them the same inspiration and ardor and radicalism that they crave. Some of these are younger people. And so they are turning to ISIL precisely because of its ugly nature. And so we are seeing that around, and that represents a social media-fueled phenomenon. And I think that that is a new dimension to it that we need to take into account. So I am sorry to go on so long, but it is obviously a complicated situation and evolving strategy.

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman. Mrs. Lowey and then Ms. Granger.

CYBERSECURITY

Mrs. LOWEY. Thank you very much. Before I go on to my question, I just hope we have an opportunity to explore another time—and I know Ms. Granger and I are very focused on it in our committee—the social media fueling the terrorists. It seems to me that we should be able to combat that. And I know a new department was created at State, and we have BBG, but somehow we are failing at the task. But on to this committee, and one of the issues that has concerned me is the budget having to do with cybersecurity, \$5.5 billion to increase both the defensive and offensive cyberspace operation capabilities and fund the development of the cyber mission force initiated in fiscal year 2013. This is a much-debated concern for DOD and our national security. However, I would like more clarity on the most critical areas of concern, and I would just like to list them quickly. And please comment if you will.

If you could describe the primary risk faced by the Department of Defense in the cybersecurity realm? How will DOD work with other organizations, both government and nongovernment, to share cyber-related information? The budget indicates that measures are taken to increase the capabilities of the cyber mission force initiated in fiscal year 2013. If you can comment on that, the primary elements of the fiscal year 2016 budget in that regard. And is DOD

able to recruit and train personnel with the requested skills to develop an effective cybersecurity force or do you find yourself in a position where you are subcontracting to the Apples and the Yahoos and the Googles, et cetera? If you could just explain the strength and weaknesses of our current force.

Secretary CARTER. I think—

Mrs. LOWEY. And I know we don't have an hour to respond, so please pick each question as you will.

Secretary CARTER. I will be brief as I possibly can. And at the risk of extending it even further, perhaps ask General Dempsey, who has also been working on this problem for a long time, to comment. I would say the primary risk is a cyber penetration or attack of our defenses, our defense systems. We depend abjectly upon our networks working for the effectiveness of our force. We use it all the time. It is what makes our planes, ships, and tanks, and all the other tangible equipment work together on today's battlefield. So we have to have protected networks because that makes all the rest of our military work. And by extension, we have to help protect the country, its critical infrastructure and its critical safety from cyber attack from outside. So defense is job one, defense within our own Department and playing our role in defense of the country, which gets to your second point.

This is a whole-of-government thing. That is always awkward. It gets back to the health records, you know. You have several different departments involved in this. I believe strongly that—that we need to work in the Defense Department with law enforcement, the FBI, which has great capability in this area, with the intelligence community, with Department of Homeland Security, and—this gets to your last point and on this point I will close—with the private sector.

Secretary CARTER. Because the private sector owns and operates a lot of the networks that we work on. It is the source of a lot of the technology that we use and will use in the future. And we need to be open to the information technology industry so that we are using the best of what is there in the Department of Defense.

And that gets to your last point, which is people. We are going to have to reach out. This is a domain or a field where, yes, we can train people for the cyber mission force, and we have been training them, but I think we will also continue to draw upon and rely upon the Silicon Valley, so to speak, community to support us in defense, as American high-tech industry has done for decades and decades and decades, supported the Department of Defense and been one of the reasons why we have had the technological lead as a military around the world.

General DEMPSEY. And I will be brief, but this may be one that you would be interested in having us come visit you or send a piece of paper over to.

We have—in fact, when Secretary Carter was DepSecDef, he and I collaborated 2 years ago on several initiatives that are coming to fruition.

We are building a force within the Department of 6,800 to man our cybersecurity force. And that is in the CYBERCOM; it is also out in our combatant commands. You can think of it this way: We have a national mission force, if you will, or an organization into

which private sector and military can plug, if you will, when cyber events occur.

Of course, on the civilian side, they do so voluntarily, because we have not achieved legislation on information-sharing that incentivizes them to do so. I will come back to that in a second.

And then we have response forces. Think of that as CSI, after-the-fact groups that go out and do the forensics of a cyber attack. You have had some examples of that recently.

And then, finally, we have at the regional level in combatant commands, we have forces that conduct what is essentially cyber reconnaissance, if you will.

So we have layered defense, and we do a pretty good job of protecting our own network. The challenge, of course, for us is that our network, especially in the unclassified domain, is largely dependent upon the welfare of commercial cyber architecture, which is very vulnerable.

And that brings me to the issue of legislation, where, 2 years ago, we made some recommendations on standards in information-sharing, unsuccessfully. I think that has been resubmitted recently.

In the interim, the President issued an Executive order, which was very helpful and which we have implemented entirely. In fact, in some cases, the Secretary has raised the standard. So, for example, we had a problem with, quote/unquote, "cleared" defense contractors who were working for us but who had no incentive to have certain standards of hygiene. And we have closed that gap within the Department. The Secretary and our director of acquisition, Mr. Kendall, have actually baked into every contract in which we engage now requirements for cyber standards and information-sharing.

So we can do that internal to the Department. But, as I sit here today, my concern is that we are dependent upon commercial infrastructure, and it is not bulletproof, I promise you.

Mr. FRELINGHUYSEN. All right. We are going to try to tighten it up.

Ms. Lowey.

Mrs. LOWEY. Let me just say thank you very much, and I look forward to getting a more in-depth briefing.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Well, thank you, Ms. Lowey.

Ms. Granger.

SEQUESTRATION

Ms. GRANGER. Thank you.

Mr. Secretary, you and General Dempsey both have talked about sequestration. And I am going to tell you, I hate the thought of it. I think we are in the process of devastating our military. But the reason we are there is because of enormous frustration. And I thought as we started talking about the VA and DOD and what we have asked to happen—and it hasn't happened. And that frustration of not being able to move ahead, instead continuing spending, spending, and spending, is what got us to this, to the process of sequestration.

I talked to Secretary Panetta personally several times and said, you must speak out and explain to people what this is going to do

to our defense. And he said, it will never happen, and so I am not going to do that. It will never happen. And I think most of us thought it will never happen, and here it is.

I listened so carefully, Mr. Secretary, to your opening remarks. And what you said, and given specifically, is: We can find the reforms. We shouldn't just cut and leave us without the money for cybersecurity, for instance, without the money for research and development. And that is what will happen. I mean, we will save personnel, we will save what we can. You say: Instead, do it the right way.

Sometimes there is a person for the time. And your history and what you have done, your career, you can do that, because you have seen how it is put together. You are in a unique position to say, here is what we need to do. And it will take over several years; it is not going to be done in the first year.

I would beg you to be the person that says, tear up that President's budget because it assumes that there is no sequestration. And, to us, stop what you are doing as you are—we are designing a budget that follows the law, and sequestration is enacted.

And, instead, you work—and we are doing it right now. The two men to my right, the chair of Appropriations, the chair of Appropriations Defense, the chair of the Budget Committee, and the leadership in the House—I plead with you to say, we can do this a different way, and we can do the savings, and we can look ahead.

I can't believe that we are going to do this when the world is so dangerous. And you certainly know that, General. I mean, we have listened to everyone who has appeared before this committee, and all you have to do—you can't turn on the television any night that it is not just really a horror story, and I am not exaggerating.

So, with your background, please do that. Give us another way forward. We really can prepare for the future, meet our risks, but take those things that don't work, like the medical records, which is so simple if you are committed to do it, but look at all the rest of it. You have been in acquisition for years, and you know what we spend. You know, if it took for the V-22, if it took over 20 years, well, you know that is the wrong way to do it.

But what we are doing is we are cutting budgets, and then we are saying to the military, we are not going to leave you any flexibility just to do what is right and what we need to have done.

So it is not so much a question as—I beg you, please, to do that. We have to be saved from ourselves.

And if you would like to respond, you can. If not, you can say, we will move on.

Secretary CARTER. I very much appreciate the spirit of the question. I promise you that, when it comes to reform and waste in the defense budget, there is no one more committed to eliminating that than I.

And with respect to flexibility, there I would simply say: I need your help. We all need your help. Because we have asked for flexibility now in past years in certain areas that I know were painful and have had that denied. And we need the support of Congress. At the end of the day, the power of the purse resides here. I know that we only propose a budget and that you will make the final decisions.

And the last thing I would hope is that we can discuss our strategy, as well. We tried to put this budget together beginning with what the country needed, rather than with the history of recent years or budget discussions and so forth, but instead be strategy-driven.

And I think that is an important principle, that we put what the country needs first, the many problems that the chairman has noted, the complicated world that we live in, and what our people actually need to succeed. Start there, and deduce the budget that we need from that.

Mr. FRELINGHUYSEN. We are going to go right to Ms. McCollum. Thank you, Ms. Granger.

Ms. MCCOLLUM. Thank you, Mr. Chairman.

THREATS TO NATIONAL SECURITY

I think we are going to get a chance to hear some more about this. I support the President's budget. It ends sequestration, and it is paid for. And if Congress really chooses to end sequestration, we can do that. We made it the law of the land; we can unmake it the law of the land.

We have heard from some Members here quoting a statement from Admiral Mullen, who said in 2011 that "I believe the single biggest threat to our national security is our debt. I also believe we have the responsibility to eliminate that threat."

So I have a question for each one of you gentlemen.

General Dempsey, when you wake up in the morning, do you consider our Nation's debt our single biggest threat to our national security today? Does that trump ISIL, Iran, North Korea, or Russia in threats in your mind currently?

General DEMPSEY. No, it does not.

EXCESS INFRASTRUCTURE AND FACILITIES

Ms. MCCOLLUM. And before we were having a conversation on what we need to do with our defense budget, I want to be clear that, even though I believe in miracles, it is becoming very clear to me that the chairman has stated that the Budget Control Act funding levels will be the law of the land.

Now, as I said earlier, I support the President's framework of his budget, and it is paid for. But what I don't support is lifting sequestration for defense and not doing it for the other parts of our national security—a quality education, good health care, and that—that our military men and women and all of us depend upon.

So, I am kind of paraphrasing what you said, Mr. Secretary, and I agree with you, that every time Congress rejects an opportunity for the Department to save money by closing excess facilities—and I have a recent article that says you have 25 percent bigger, you know—you have a huge footprint that you need to get rid of with excess facilities.

When we fail to terminate outdated weapons that you have put forward to Congress or to make compensation reforms, we force you, then, we force you to go back and cut modernization, readiness, or personnel.

So could you please maybe point out to us why it is important, especially with BRAC, that we are not having you carry excess fa-

cilities that no private-sector business would carry on their books, for example, and what this glut really means to you, with the weapons systems and that, about moving forward? Because we have to make some hard choices, not just you, Mr. Secretary.

Thank you.

Secretary CARTER. Thank you.

You have stated it very, very clearly, Congresswoman. We do have excess capacity. And it is true that, in the private sector, a continuing effort to cut costs and lean out an operation is just part of life and is part of competitive success. And here, of course, there is only one Defense Department in the country, so we are competing with ourselves to be more excellent and be more economical.

And we do believe that we have excess capacity. That is one of the reasons why we have asked for help with BRAC and other things from the Congress. And we understand why those things are tough, but we have to move down this road to leaning ourselves out. It is important in order to get the most military capability for the dollar. I think it is also important to show our citizens that we don't ask for funds that are not directly related to the implementation of our strategy.

READINESS

Ms. MCCOLLUM. Mr. Chair, if I could ask General Dempsey, with some of the weapons systems that we keep renewing and reauthorizing, how is that affecting your ability to really do readiness?

General DEMPSEY. When the service chiefs approach me and say that, based on their restructuring initiatives, that they believe a certain weapons system has exceeded its useful life and the capability is being provided in some other way, I support them.

And so when the Chief of Staff of the Air Force comes and says, we can provide close air support—I am a ground guy, I love close air support—when he can provide close air support and not have any gap in capability by retiring the A-10, I support him. Because we hold him accountable for building the force we need, and then he turns it over to the combatant commanders, with my help, to meet our war plans.

So if we are keeping force structure that the service chiefs say is unnecessary to execute our strategy, it just consumes more of the Defense Department's budget, which could and probably should go someplace else.

Mr. FRELINGHUYSEN. Thank you, Ms. McCollum.

Mr. Crenshaw.

STRATEGIC DISPERSAL OF AIRCRAFT CARRIERS

Mr. CRENSHAW. Thank you, Mr. Chairman.

And thank you all for being here today.

Mr. Secretary, since you have been on the job 2 weeks now, I think it would be appropriate that I initiate you into the group of new Secretaries of Defense about a lingering concern that other members of this subcommittee have heard me express from time to time. That is about the dispersal of our nuclear carrier fleet on the East Coast.

Because in 2005, when our carrier fleet went all nuclear, we went from having two carrier homeports on the East Coast to only

one. And the Navy decided they would do a study, which they did, because this consolidation—what impact it would have on our national security. And after a 2.5-year study, they decided that they should disperse these nuclear carriers on the East Coast because, as Secretary Gates had said, it has never been acceptable to have only one homeport on the West Coast and it should never be acceptable to do that on the East Coast.

And so the Navy set out to create another nuclear homeport, called Naval Station Mayport. And after 3 years of doing construction projects—they had two more to do—the administration halted that program based on all these tight budget constraints.

Now, the Navy hasn't changed their mind. They still stand by the goal of strategic dispersal.

And so I just wanted you to be aware of that, go through the rite of initiation and hear that early in the job. And I hope you will take a look at that as we—I don't have any questions about aircraft carriers.

BALLISTIC MISSILE SUBMARINES

I do have questions about submarines. And so, very quickly, I wanted to ask you about the Ohio-class submarine replacement program. This year, I think, in the budget there is almost \$1.4 billion for some research and development in that program.

And I think that is going to be a program that is going to have implications not only for our strategic deterrence capability, but it could have implications for our entire shipbuilding program. Because we heard Admiral Greenert last week before this subcommittee talk about the fact that this was a huge priority for him and he would like to see it carried out, maybe even at the expense of some of the other shipbuilding programs. It would kind of suck all the air—all the money out of that program. And that is concerning, I think, to all of us in terms of the long term, that 30-year shipbuilding program.

But I read, maybe before you got here, before you went on the job, the National Sea-Based Deterrence Fund was set up. And I guess that is a fund that recognizes that this submarine replacement program is not just a Navy problem, it is kind of a national defense program. I think they have done that before. And I guess that is good news, because that will help—if the DOD is partnered with the Navy in that, then they can continue their shipbuilding program.

So the question is, that deterrence fund was set up but hasn't been funded yet. And so I wondered if you could tell the subcommittee what went into the creation of that fund and when/if you plan on funding that. Because, you know, if you do, I think that would help us. I think some of the responsibilities the Navy has would be shared with DOD.

So could you talk about that, how that is all going to work out? Because I think this whole Ohio-class replacement program is going to be really, really important.

Secretary CARTER. Thank you, Congressman. And I may not know all of the history, so I won't try to recount that, because I wasn't there, but I can learn more about that if you would like to talk about that further.

But the fundamental thing you are raising, I completely share your and the Navy's and I think all of my predecessors' in this job and this department—we need a safe, secure, and reliable nuclear deterrent. The submarine force is a key leg of the triad.

The Ohio-class ages out in the decade of the 2020s to 2030s. There is nothing we can do about that. It has to do with hull life and the number of times it has contracted and expanded as it submerged and surfaced. So it has to be replaced. These things are expensive. We are trying to get the cost of them down so that it is not as big a bill, but it is still going to be a substantial bill.

And you are right. It is so big during the period 2020 to 2030 that it threatens other aspects of the shipbuilding program that the Navy has. That is a big problem for all of us going forward, because this is a critical need.

The only thing I would say is how we label the money, it is still the money. It is still part of our defense budget. So if we need to do this, as I believe we do, we need to have the money for it.

And that is something, like everything else in the defense budget, that—it shouldn't be in the defense budget in the first place if it is not a national priority, anything, including this. But it is. And this is a national priority, and it ought to be funded out of the defense budget.

And, as I said, it doesn't matter so much how the money is labeled so much as that the money is there in that decade between 2020 and 2030 so that we can replace this leg of the triad that we really have to replace.

Mr. CRENSHAW. Thank you.

Mr. FRELINGHUYSEN. Thank you, Mr. Crenshaw.

Mr. Israel.

IRAN'S NUCLEAR CAPABILITY

Mr. ISRAEL. Thank you, Mr. Chairman.

Gentlemen, I want to shift the focus to an issue that has been in the news recently, and that is Iran.

There has been a lot of talk about Iran's desire to acquire a nuclear capability. As Prime Minister Netanyahu stated last night, it is not just the weapon, it is the deliverables. You can have the best pilot in the world, but if a pilot doesn't have a plane, it is just a pilot.

And I believe that both in the negotiations and in the public discourse there hasn't been sufficient attention given to Iran's missile program. And they have a very advanced and developing program.

And so I would like to ask the Secretary, in particular, what is your assessment—and the General—what is your assessment of Iran's long-range and intermediate missile program? And what initiatives is the Missile Defense Agency taking to improve the overall performance of ballistic missile defense systems?

And then I have another question about the funding in the President's budget for Arrow 2, Arrow 3, Iron Dome, and other programs with respect to Israel.

Secretary CARTER. I will start, and then, Chairman, if you would.

This is a longstanding concern, the ever-growing, expanding-in-numbers-and-range Iranian ballistic missile program. It is the rea-

son for our very close cooperation with Israel in missile defense, as we cooperate with Israel in everything in defense.

This is a very important ally to us, our most important ally in the region. I have been doing this a long time, and we have a relationship that close with the Israeli Defense Forces. And that needs to continue. And missile defense has to—and will continue.

And missile defense, an important part of it—you mentioned Iron Dome, you mentioned Arrow. I could mention Patriot, lots of other things that we do together, and we share capability there. It is a longstanding joint effort, and it will continue.

Let me ask the Chairman if he wants to add anything.

General DEMPSEY. Thanks, Mr. Secretary.

So, on our side, Congressman, first of all, the ballistic missile capability of Iran is one of about five things that cause me great concern from a national security perspective—you know, weapons, trafficking, surrogates and proxies, activity in cyber, ballistic missiles, and their nuclear aspirations.

On our side, of course, the European Phased Adaptive Approach was an effort to anticipate that at some point they would achieve the ability to, you know, strike either our European allies or the homeland. And so we have shore-based ballistic missile defenses. We have ballistic missile defenses afloat with our Aegis cruisers and capable vessels, with the SM-3 missile, that are essentially geared to intercept these things at different phases of their flight. We have enormous ballistic missile defense capabilities in the Gulf, in Kuwait, in Bahrain, in Qatar, and in the United Arab Emirates. And so we are very much alert to that.

I believe there are specific sanctions in place against their ballistic missile program that wouldn't be affected by a nuclear deal. But, yeah, we take it really seriously.

Mr. ISRAEL. Okay.

Thank you, Mr. Chair.

Mr. FRELINGHUYSEN. I understand, Mr. Secretary, your staff advises me you might have to take a short break, which might put General Dempsey in the hot seat, relative to your recovery path for your—

General DEMPSEY. I am going with him, sir.

Mr. FRELINGHUYSEN. There is no way in hell we are going to let you out of here.

Secretary CARTER. I don't want to leave my—

Mr. FRELINGHUYSEN. Yeah. We don't want it to be said that you turned tail and left, but if you need to take a break—

Secretary CARTER. I appreciate your consideration. I had surgery on the back. There is nothing I can do about it now. What is done is done. And there is a cut that big down the back of my back.

Mr. FRELINGHUYSEN. Yes.

Secretary CARTER. So I think that is why we asked to be able to take a few minutes—

Mr. FRELINGHUYSEN. If you care to take a few minutes, that is fine. I am sure that Mr. Calvert can handle—or, hopefully, General Dempsey can handle Mr. Calvert.

Secretary CARTER. No, let me just—let's just go ahead. That is fine. I will be fine.

Mr. FRELINGHUYSEN. Okay.

Mr. CALVERT. Thank you.

CIVILIAN WORKFORCE

Mr. CALVERT. Thank you. Thank you, Mr. Chairman.

Good morning, Secretary and General Dempsey. First, I want to thank you for being here and thank you for your service. I have known you both for a long time, and I know you are up to the challenges, and we look forward to your continued support of the men and women in the military.

And, as has been discussed thoroughly here, unless there is some kind of miracle that happens between the White House and those of us in the House and the Senate, we are going to be operating under the budget caps. And I hope the miracle occurs, but, as my dad used to say, hope is not a planning option. So I think everybody knows what I am going to talk about today.

During your testimony this morning and the testimony we heard last week, the same message was delivered from each of the service chiefs and the Secretary: The President fiscal year 2016 budget is the minimum amount of funding required to execute the Defense Strategic Guidance. Anything below that will imperil the military's ability to properly execute the President's strategy.

At the same time, the BCA is the law of the land. Until that is changed, we must abide by it. So we have a serious funding gap between the strategy and the law.

I do believe there are savings that exist inside the Department and should be part of the solution to alleviate the funding pressures on DoD. This is why I want to give you, Mr. Secretary, the mandate that will provide the savings and the authority to properly manage the civilian workforce, focus on attrition, targeted reductions in places, emphasis on performance.

Now, there are other reforms, acquisition reform, which I know you have been working on for some time. I think you have a compensation board that has some ideas that I think would help, I think, in retention down the road and help in many ways and also save money and other ideas.

But since 2001 we have cut the Active Force by 4 percent and we have grown the civilian workforce by 15 percent. Currently, the ratio of civilian employees to Active Duty personnel is at an all-time high—the highest since World War II. Bringing that ratio down to the historic norm, just the historic norm, would save the Department \$82.5 billion over 5 years. All these savings could be reinvested right back into the Department to help alleviate the impact of the BCA.

We have not hesitated to cut our Active Duty force, and cut it too far in my opinion, but I cannot get a public concession out of anyone at DoD that we should have a proportional right-sizing of the civilian workforce. As the new Secretary of Defense, I would like to hear your thoughts on that.

Mr. FRELINGHUYSEN. You may want to take your break now.

Secretary CARTER. No, no, no. I appreciate your consideration, Mr. Chairman. I will be fine. Thank you.

Well, I, actually—I am with you. I think we should go after excess wherever we find it in the Department. And the civilian workforce, like the military personnel end strength, has to be something

that we scrutinize and reduce. And I think we can reduce the civilian workforce, and I will give you a few reasons why I say that.

The civilian workforce grew from about 700,000 to up towards 800,000 in the decade since 9/11, so about 100,000 people. That wasn't just a random increase. These were specifically targeted things, which made a lot of sense, like cyber, like our acquisition workforce, like in-sourcing, if you remember in-sourcing, which was to bring jobs into the government specifically so that they weren't conducted by contractors, and so forth. So, for all these perfectly good reasons, 100,000 people were added.

My problem with that is that 100,000 people weren't—nobody reached in to the existing force and said, well, let's add these people, but let's meanwhile see whether there aren't some jobs that can be eliminated and reduced. That didn't happen, because there was lots of money throughout that decade. Now we need to change that dynamic.

And I think that it particularly affects—and this, I think, is where you were on—the headquarters, I will call them some staff functions. Because remember, most of our civilians—we tend in Washington to think of a civilian DoD employee as someone who sits at a desk in the Pentagon. Eighty-five percent of our civilians don't live in the Washington metropolitan area. They fix airplanes. They are not sitting at desks. They are repairing ships and so forth. And so they perform essential functions.

But where the headquarters staffs are concerned, both military and civilian, I think we can make cuts there, and we have to make cuts there. So I am with you in that regard.

Mr. FRELINGHUYSEN. Would you yield to Mr. Visclosky?

Mr. CALVERT. Sure. I would be happy to yield.

Mr. FRELINGHUYSEN. No, I thought we might be doing—

Mr. CALVERT. I just wanted to make a point, that most of the 100,000 additional employees have been brought up since 2008, over 100,000 personnel, civilian workforce. And I am not talking about depots and wrench-turners and folks working in shipyards. And I don't know if, General—I would just like to give you the flexibility.

I am not talking about across-the-board cuts. I am not talking about that type of activity. But, as a private-sector guy, you are managing a pretty good size enterprise, that you ought to be able to have the flexibility to look at performance—that is a part of it—but also be able to buy out contracts and have reductions in force if it is necessary and give people the opportunity to retire if they choose to.

That is what we are talking about. Because we need to keep the money in the Pentagon to give it to General Dempsey and to the other service chiefs to keep the end strength up and to procure.

Mr. FRELINGHUYSEN. If we could get an answer for Mr. Calvert, a more specific answer.

And thank you, Mr. Calvert.

We are going to Ms. Kaptur via the ranking member for—

Mr. VISCLOSKY. Just to follow up, because the gentleman's point of anyone who is working for the Department or any other Federal agency, including Congress, ought to have a justification for their existence is part of the tension as far as whether it is a Federal

employee or a contractor, the issue of the inherent nature of the governmental work, as well?

Mr. FRELINGHUYSEN. A short response if—

Secretary CARTER. That is relevant. That is one of the reasons why in-sourcing was initiated. And that did contribute to the increase in the civilian workforce, and that is a perfectly legitimate reason. But I also believe what was just said, which is we need to be disciplined about this.

Mr. VISCLOSKEY. Thank you.

Mr. FRELINGHUYSEN. Okay. Thank you.

Ms. Kaptur and then Mr. Womack.

UKRAINE

Ms. KAPTUR. Thank you, Mr. Chairman.

General Dempsey, thank you for your service to our country.

And, Secretary Carter, thank you so very much for your service, as well.

I will just ask my questions, and then I would appreciate your response.

First, General Dempsey, you refer in your statement to heavy-weights, middle-weights, and other weights. And in terms of the heavy-weights, Russia being at the top of the list, in the event of movement by Russia deeper into Eastern and Central Europe, who is responsible for the command of joint forces in that instance?

Last year, Congress directed \$75 million to the European Reassurance Initiative for programs, activities, and assistance to support the Government of Ukraine. It is my understanding none of those funds have been obligated thus far. Could you please explain the status of that funding, the reason for the delay, and how this assistance will be provided moving forward? And is the European Reassurance Initiative the primary mechanism, or is there other funding, as well?

Then my second arena of questioning deals with ISIS. As I observe the ongoing battle in Tikrit, how do we beat ISIS without defaulting into an alignment with the Shia and Iran? It seems to be a most combustible situation, not just militarily but politically.

General DEMPSEY. Thank you, Congresswoman.

The C2, command and control, of NATO forces resides with General Phil Breedlove, the Supreme Allied Commander in Europe, who is dual-hatted as the European Command Commander. And in the event of an Article 5 issue with regard to whatever it happens to be, he would have control of U.S. forces, and he would also have responsibility for coordinating our activities with NATO.

Ms. KAPTUR. What has happened to the \$75 million to this—

General DEMPSEY. First of all, we appreciate that. And what we have been doing is working with our European partners on the menu of reassurance activities, the growth of a very high readiness task force, additional equipment, prepositioning, all of which takes collaboration and coordination with our European allies.

I want to make sure you know that we haven't been idle in the interim. What the services—

Ms. KAPTUR. You mentioned NATO very prominently in your testimony.

General DEMPSEY. Absolutely, because I think anything we do in European should be by, with, and through NATO, because that is the foundation of NATO's purpose.

But, anyway, the services have been cash-flowing from their account activities that they are doing. We have soldiers in Latvia, Lithuania, Estonia right now, and Poland. Services are cash-flowing it. We are catching up with it, using the European Reassurance Initiative.

So I assure you we have—although you may not see on the books that this money is being committed, but it will be committed.

Ms. KAPTUR. I will tell you, I am befuddled by the fact that, for example, in the area of telecommunications, the Ukrainians are completely underserved. I, frankly, don't understand it. And you would think that, you know, at least you ought to give them a fighting chance.

So I just see that that particular—and the advance of Russia, in many ways setting up within some of our NATO-allies countries new Internet and radio sites in the native language, Russia, and an obvious aggressive move in that part of the world in telecommunications and other ways.

I see us as very—and I understand the danger of this, but it just seems to me we could be a little more directed.

And I know General Breedlove is coming up here, I think, Mr. Chairman.

Mr. FRELINGHUYSEN. He is, yep. And I share your sentiments. We should be giving non-NATO allies support to Ukraine. I have written the President three times; we don't get any answers back. But we need some activity in that regard.

ISIS/ISIL

Ms. KAPTUR. Thank you, Mr. Chairman.

On the Shia and Iran, could someone address that? How do we beat ISIS without aligning with the Shia and Iran, which appears to be happening, certainly in the Tikrit operation?

General DEMPSEY. Well, if I could, Congresswoman, let me—by the way, I think we spoke past each other in the last question. I was talking about NATO and Article 5. You were actually focused on Ukraine.

We have given \$100 million in nonlethal assistance. We are in active discussion right now about training nonlethal and the possibility of lethal aid. And that is an active conversation ongoing right now inside of the interagency.

Shia. The real key to defeat ISIL is actually convincing the Sunni that they should not embrace this group because they have a future in Iraq. And we are actively working, our diplomats over there—General Allen, Ambassador McGurk—are working to ensure that the governance piece of this in Iraq is progressing as rapidly as the military piece of it, because—

Ms. KAPTUR. Well, General, if I could just insert—

General DEMPSEY. You can.

Ms. KAPTUR. Going to Tikrit, which is a Sunni tribal homeland, right—

General DEMPSEY. Right.

Ms. KAPTUR [continuing]. With Iranian forces and Iranian generals—

General DEMPSEY. Right.

Ms. KAPTUR [continuing]. Is going to send a message that is going to create deep political problems, don't you think?

General DEMPSEY. It could. Right now, the Sunni members of parliament and the local tribal leaders, the mayor of Tikrit, are all supportive of this because they want to rid the terrain of ISIL.

You are exactly right, though. We are watching carefully. And if this becomes an excuse to ethnic-cleanse, then our campaign has a problem and we are going to have to make a campaign adjustment.

Ms. KAPTUR. I wanted to just finally say, Mr. Chairman, as I view that part of the world, people on the ground are afraid to commit.

I heard what you said, Mr. Secretary, about Afghanistan and changing, the people going to ISIL as opposed to Taliban and so forth. They go to the strongest force. And so, if X force is the strongest, those young men will go there. At least, that is my experience.

So I just wanted to put that on the record. I am very concerned about what is happening.

Mr. FRELINGHUYSEN. Thank you, Ms. Kaptur.

Mr. Womack.

STRATEGY IN IRAQ AND AFGHANISTAN

Mr. WOMACK. Thank you very much, Mr. Chairman.

And I thank the gentlemen.

Congratulations, Secretary, for your appointment and your new duty.

I have a couple of things.

One, you said in your opening remarks, Mr. Secretary, that when you took the helm, that you said to the people of the Defense Department that you were going to take care of them, that you were going to keep them safe. That was—I am paraphrasing—that was your first priority.

Help me understand how telegraphing what we will do or what we won't do in a potential conflict contributes to the safety of the men and women that are going to go downrange for this country.

Secretary CARTER. Well, I mean, as a general proposition, I am not in favor of telling people what we won't do. Let them guess.

And on top of which, when you are carrying out a campaign like this, you are constantly deciding what you are going to do and what you are not going to—

Mr. WOMACK. The AUMF has kind of a 3-year timeline. We have talked about the political calendar. I am not real sure that that is appropriate, given the conditions that we are dealing with over there.

But, General Dempsey, you yourself, I kind of captured, were a little measured in your remarks about what we would be willing to commit to doing with regard to boots on the ground. Because you specifically limited it or didn't say anything beyond special operators or JTACs. Those were the two things that you mentioned that

we would consider that would effectively be literally boots on the ground.

Are we saying that we are not willing to put a brigade combat team on the ground? Are we willing not to put other types of unit force structure on the ground?

General DEMPSEY. I don't consider that the AUMF limits the size of the force that we would put on the ground.

Frankly, if we have to put a brigade combat team on the ground, then the campaign as currently designed has failed. Because the campaign as currently designed relies on them to do the work that they need to do—that is, the Iraqis and the Peshmerga and the Sunni tribal leaders. And I think that the more we can reinforce with our messaging that this is their fight, we will enable it and support it, the better off we are.

Mr. WOMACK. It has been my opinion that we have telegraphed some of our military moves down through the years, and I don't know that that has worked to our advantage.

You also said, Mr. Secretary, that you believe that a lot of the conditions with which ISIS or ISIL, whatever we—IS—whatever we refer to the organization—was enabled by a proliferation of sectarianism, in so many words.

Did we not contribute to that? I mean, we did pull out. We didn't have a security agreement. We didn't have a status-of-forces agreement. We just basically left—a very popular move that was based on a lot of political promises that were made, but we left.

Now, as we start this process—in the middle of the process of drawing down in Afghanistan, we have apparently changed course just a little bit. Maybe we have had some lessons learned. Is that true?

Secretary CARTER. Well, sectarianism is the reason why ISIL was able to overrun western Iraq. And the fact of the matter is that the Government of Iraq, in the way it governed and the way it managed the military over the last few years, has fueled sectarianism by driving out competent leaders, by certainly appearing to the Sunni tribes to be biased against them. That is the legacy of the last few years.

Now, you asked—I mean, if I contrast it with the situation in Afghanistan today, where I just saw President Ghani, they are asking us to stay. They have signed a bilateral security agreement. We did not have a bilateral security agreement. But the critical factor was sectarianism under the previous Government of Iraq.

And this is why in response to an earlier question I said we really have to watch this very closely, because this is—and I think General Dempsey said we would have to rethink the campaign under some of these circumstances. This is why we need to watch very carefully what is going on in Tikrit.

It is true that Sunni leaders have expressed support for what is going on in Tikrit. That gives me some visibility into the multisectarian nature of this particular offensive. But this is something we really have to watch, because it is the key to getting control over territory of Iraq again and getting these guys, this ISIL thing defeated.

Mr. WOMACK. I thank the gentleman.

Mr. FRELINGHUYSEN. Better be watching Iran and the Quds Force, too.

Mr. Ryan.

DEFENSE INDUSTRIAL BASE

Mr. RYAN. Thank you, Mr. Chairman.

Thank you, Mr. Secretary. Bad backs are awful things to have to deal with, so thank you for sucking it up for us here.

And I know Ms. Granger mentioned that this is a moment for you and you are uniquely prepared. So I looked at your history, and I was reading through, and I am not sure if she was referring to the fact that you have a bachelor's degree in medieval history and that makes you uniquely prepared to deal with the United States Congress.

With the Presidential request, the budgetary request, I am just looking through the procurement and modernization programs: 57 Joint Strike Fighters, \$10 billion; 16 P-8 Poseidon naval surveillance/antisubmarine warfare aircraft, \$3.4 billion; Hawkeye aircraft, 5, \$1.3 billion; 9 ships for \$11 billion; a bunch of retrofitting, overhaul refueling of USS George Washington; R&D for Ohio-class replacement, \$1.4 billion; KC-46 tanker, continuing to develop that for \$3 billion; long-range strike aircraft development, \$1.2 billion; Ground-Based Interceptor reliability improvement, \$1.6 billion.

These all, to me, seem like essential needs, given the fact that I have been on this committee for a few years and was on the Armed Services Committee and have seen the deterioration of our capabilities in so many different ways. The issue: We don't have the money.

And so part of it is to try to get the message out of exactly what is happening. And I don't think any of us have done a very good job communicating to the American people that these needs are essential for us. You know, all these questions that go up and down the line—Iran, ISIL, Ukraine, Syria, on and on and on and on—are all urgent needs. And we are in the middle of all of this, and we don't have the dough.

So part of this has got to be for us, at a moment where we have a huge concentration of wealth in our country—and you can't have this discussion without having the broader discussion of, where are we going to get it? But I think if the American people knew exactly where we were and the road we are going down, I think it may be easier for us to make an argument for how we maybe generate the revenue and make the cuts primarily to help make this happen.

One area that we are working on in my district in Youngstown, Ohio, is the President's first additive manufacturing institute. Seeing that we have made some investments with the Air Force program, Youngstown State University, University of Dayton, with AmericaMakes, I am seeing huge possibilities for cost savings with the military making the kind of investments needed to drive down cost for procurement and replacement parts and all the rest through these investments in additive manufacturing.

If you would talk to that briefly.

And then another question—I will just throw them out at you now so you can kind of hit them both—the defense industrial base.

And I know that does hit your background, the S2T2 study, sector by sector, tier by tier. Is this something that is going to continue?

To me, we are spending a lot of money. How do we keep it in communities that we represent to make sure we have the supply chain available and qualified to delivered the kind of equipment at the quality that you need it?

So additive manufacturing, AmericaMakes, and the supply chain.

Secretary CARTER. Very briefly, the defense industrial base is a critical—it is, next to the excellence of our people in uniform, what makes our military the best in the world. And that is something that you could take for granted. The way we do things in this country is we count upon the private sector to provide us with technology and with systems, and we need to make sure that we continue to be supported by a robust industrial base. That is a concern and a preoccupation of mine, and I share that, absolutely, with you.

Manufacturing institutes are an example of a step we are taking to make sure that excellence in production remains part of our defense industrial base. Additive manufacturing is one new type of manufacturing. And, of course, it is related to the bigger question of making sure that America's role in the world economy remains a leading one, a strong one, and one that all of our people manage to share in.

So it has a bigger national purpose, but for us in defense, it is in order to make sure that we continue the excellence in production.

Mr. RYAN. The S2T2 study is—do we have status and outcomes that have come from that, their weaknesses within the context of how we evaluated what is happening and, you know, what can we do better?

Secretary CARTER. There are. And so, just to define that study, that was a study that tried to look at the tier-by-tier part, which is the prime contractors and the subcontractors, parts suppliers and so forth, as well as different sectors—aerospace, shipbuilding, and so forth.

The tiers are relevant because you can have a situation where the prime contractors are very healthy—which, in general, ours are today—but down at the lower tiers there is a diminution in number of suppliers, technology competence or sophistication of the supplier base, and so forth. And that is something that was uncovered by this study and, therefore, something also of importance to us.

Mr. RYAN. And I am running out of time, but I would love to talk—

Mr. FRELINGHUYSEN. You actually have run out of time.

Mr. RYAN. I see that red light on there, Mr. Chairman. Thank you.

Mr. FRELINGHUYSEN. Okay. Well, thank you very much, Mr. Ryan.

Judge Carter.

SEQUESTRATION IMPACTS

Mr. CARTER. Thank you, Mr. Chairman.
And welcome.

Secretary Carter, I like your name and hope you are very successful, so if you are, I will go back to Texas and claim you as a cousin.

General Dempsey, good to see you again. Thank you for your service.

I am all about the soldier, the ground forces. I have Fort Hood in my district. We talked about it; I think it has been made clear. We know your position on the President's budget and the numbers, but BCA is the law of the land. And, therefore, if we exceed the caps, we are going to be talking about sequester, which I hate, everybody at Fort Hood hates, and everybody in my district hates.

But I need to know—I am curious. Our current national security strategy, it is flexible, but is it flexible enough, in light of what we may be facing with BCA, that we will have—what is the strategy that you envision—and either one of you can answer this—if we have to cut the Army and the Marine Corps to an unacceptable ground force? And I think we are verging on the edge of that, in my opinion, right now.

And then I want to point out, and I think you all know this, you don't just go out and hire sergeant majors and you just don't go out and hire lieutenant colonels. We are hollowing out the force. And the concern is, what is the strategy about that real problem?

And I learned about something from folks at Fort Hood called Task Force Smith, and we don't want any Task Force Smiths.

So I want to know the plan if we are in that situation. Not, "We need more money." We know you need more money. But what is the plan if we have to be there? Because I am worried about the individual soldier.

Secretary CARTER. Well, you should be, because that is one of the consequences of a budget reduction as rapid and as sudden as called for by sequester.

Task Force Smith was an example, a historical example of troops being sent into battle who were not ready and were not adequately trained.

Mr. CARTER. Right.

Secretary CARTER. But we never should do that. That is an unconscionable thing to do.

You mentioned attrition among some of our very best people because of the forces having to downsize—another casualty that cannot be quickly reversed of the suddenness and severity of the cuts of sequester.

The connection to strategy is this: We are going to have to go back to our strategy, and if the time for squeezing, squeezing, squeezing is over, we are going to need to look at our fundamental defense strategy and our national security strategy and ask ourselves difficult questions about what we can't do, or can't do to the extent this country has become accustomed, if we have sequester.

That is the warning that I am trying to sound and I hope is understood and heeded not just here by people like yourself who are expert but by the country as a whole.

Let me ask General Dempsey to join in.

General DEMPSEY. Yeah. Real briefly, sir. Because we have worked this for 4 years, the chiefs and I. And it has been our current strategy—we have built in a degree of simultaneity. We can

do more than one thing at a time. So the first thing that begins to erode and disappear is simultaneity. We are going to be less likely to be able to do more than one major thing at a time.

Secondly, I mentioned in my opening remarks that right now our paradigm, if you will, for the deployment of the force is that we try to have about a third of the force forward deployed to shape events so that we are not reacting but rather shaping. And that is going to be reduced by, we think, about 40 percent.

The last thing—and if you want to plant something in your head on this, I am going to guess that you are probably a Longhorn football fan. I am just guessing.

Mr. CARTER. That is a questionable, but go ahead.

General DEMPSEY. Are you an Aggie fan?

Mr. CARTER. Texas Tech, but that is all right.

General DEMPSEY. Okay. So—

Mr. FRELINGHUYSEN. You didn't do your intel before you came.

General DEMPSEY. Yeah, I know, I know.

Mr. FRELINGHUYSEN. Judge Carter is a very tricky man.

General DEMPSEY. A Red Raider fan. But I will tell you, the analogy works nevertheless. Unlike football, where teams love to play a home game, our job is to make sure that everything we do is an away game.

Mr. CARTER. Right.

General DEMPSEY. And I am telling you, Congressman, we are at risk of starting to play a bit more of a home game than we should be comfortable with.

ELECTRONIC HEALTH RECORDS

Mr. CARTER. And that was the reason I was asking. And I knew that the Pentagon does scenarios, worst-case-scenario situations, and I have talked to General Odierno about that. But I want to make sure you are planning for it, because until we fix the Budget Control Act, we are not going to be able to do much with what we have.

I want to make one more suggestion to you on the medical issue that—I have been up here for all this, too. I come from a high-tech area of Texas, where we have a lot of techies. And I have talked to some folks, and they say that one of the big stumbling blocks between DOD and the VA is nobody wants to go to a modern platform, IT platform. They are playing with Model A's and Model T's and trying to put new engines in them, when reality is they need to have a Cadillac and a Lexus. And they are available.

If you could break that culture that says we want to fix what we have, not replace it, you might find it will be cheaper and it will work better.

Mr. FRELINGHUYSEN. Okay. Thank you.

Mr. RUPPERSBERGER.

Mr. RUPPERSBERGER. First, General Dempsey and Secretary Carter—Secretary Carter, I think you are the right person in the right place. You are experienced. You seem to know what you are doing. You are focused, and you are a good leader. And we hope we can work with you.

Secretary CARTER. Thank you, sir.

CYBERSECURITY AND SPACE OPERATIONS

Mr. RUPPERSBERGER. I am going to be redundant here, but I think it is important to say because I think the American people need to know how serious we are in providing national security to our country.

We have had in the last couple hearings the Secretaries and head of the Army, Navy, Marines, and Air Force all talking about what this sequestration is doing to us, making us weaker. We know it is the law, and I am calling out to leadership on both the Republican and Democratic side to focus on this issue, to try to find a way to repeal this law.

If the American public knew what the testimony was in the last week about how we are weaker in the area of dealing with terrorism, dealing with cyber threats, dealing with Russia/China threats, dealing with space threats, I think the American people would be very upset at all of us for not doing something to protect us.

You know, we had a good, bipartisan, yesterday, vote on Homeland Security, and that is just the beginning. This is a bigger issue than that, as far as what we are doing to protect our country.

Now, I just have—I got something from staff here, Associated Press article today saying, "China to boost military budget by 10 percent." You have India increasing 11 percent. And when we have so many threats in this country, probably as dangerous as this world has been in a long time, probably since World War II, we are going the wrong way, and we need to turn that around. So I would hope that we could deal with that.

Now, I want to get in real quick—and then the chairman is going to knock me out as soon as my time is up—the issue of cyber. You talked about a cyber bill. We have legislation that passed this house on two occasions, and it stalled in the Senate. And we have to move to forward on information-sharing.

General Dempsey, you talked about cyber and the issue, the private sector. What people don't realize, 80 percent of the private sector in this country is controlled by—I mean, 80 percent of the network is controlled by the private sector. So we have to work in partnership between our military, between our intelligence community, and the private sector.

Hopefully we can move these bills now, because the threat is there. The American public were not aware of the threat of the attacks until Sony and Target, and it goes on and on. So we have to move forward.

The other thing I want to get into, though, real quick, is space. We haven't talked about it a lot, but space is one of the most important things we deal with. We are the most powerful country in the world probably because we committed to space years ago. But now Russia and China are really gaining. They are putting in money, and it is a very serious issue.

Could you discuss the threats of space and what we need to do?

Secretary CARTER. Yes. I will be very quick, and then, Chairman, if you want to join in.

China, Russia—you talked about budget increases. There is a technological and qualitative dimension to their march ahead also.

And that is concerning to us. Actually, we have some pieces I don't have time to go into here, and maybe we can't—

Mr. RUPPERSBERGER. Also, in your answer, can you say why space is so important? Because most people don't realize how important it is.

Secretary CARTER. Because it is the only way, in many cases, to be able to carry out a mission, like surveillance over denied territory, like GPS satellites, like over-the-horizon communications that don't depend upon cables. There are just things that can't be done in another way than by using space.

General DEMPSEY. I would just add, precision, navigation, and time. Everything we do in the military, as you know—you have seen us become very precise. We are exquisitely good at navigation. And the fact that we all operate on the same clock allows us to coordinate activities. And all of that is done from space. Precision, navigation, and time are all space—

Mr. RUPPERSBERGER. All coming back to the ground.

General DEMPSEY. Absolutely.

And I will just leave this thought with you. Space is congested, it is incredibly congested. When you see images that our Space Command provides, it is incredible how much stuff is in space. It is contested, in particular, by Russia and China. And it is competitive. And we had better keep up with the competition.

Mr. RUPPERSBERGER. Okay. Thank you.

Mr. FRELINGHUYSEN. Thank you, Mr. Ruppertsberger.

Mr. Graves.

MILITARY FORCE AGAINST ISIL/ISIS

Mr. GRAVES. Thank you, Mr. Chairman.

Mr. Secretary, General, thanks for being here. And I appreciate this very important discussion we are having today.

And if I could just follow up on Chairman Rogers' comments about the request for use of military force. And I think this is a very important topic that we all need to be discussing, and it is of vested interest for each of us. And I appreciate the two points, Mr. Secretary, that you mentioned were important to you.

In the request, there is a line that says to use the Armed Forces of the United States as the President determines to be necessary and appropriate against ISIL or associated persons or forces.

A question from me would be: Do you interpret this as providing any geographical limits whatsoever, or is it boundless?

Secretary CARTER. No. No geographic limitations.

Mr. GRAVES. Okay. Thank you.

Secretary CARTER. Which is important.

Mr. GRAVES. Good. Thank you. That is. And then, maybe another question about limits, when it comes to going after supporters of ISIL or state supporters and section 5—and again, I don't know the answers to these. I am just trying to understand maybe your interpretation—Section 5 says the joint resolution, the term “associated persons or forces means individuals and organizations fighting for, on behalf of, or alongside ISIL or closely related or any closely related successor entity in hostilities against the United States or its coalition partners.”

Do you interpret that section as allowing use for military force against those who fund or support that might be a state supporter of ISIL?

Secretary CARTER. I can't unpack the legal side of it, so let me kind of give a commonsense answer to the question. It is important, the way these organizations morph over time and the way that they associate with others and the way that we see ISIL, for example, popping up in Afghanistan, really as an offshoot or, I guess, more accurately, recruiting members of other groups, it is important that we have the flexibility and the language there that when we are designing a campaign to combat ISIL, people can't relabel themselves and escape from it. So I think that is the critical point, commonsense point.

And it is important that the AUMF that ultimately emerges from the Congress take that into account because that is the nature of the terrorist groups in today's world.

Mr. GRAVES. Would it be important to you—and, again, helping us as we craft this, as you described it—to include or make sure that any organization or group or foreign entity, government, or state that supported ISIL or ISIS in any way was drawn into this request for military force? Be declarative, so to speak.

Secretary CARTER. Again, I don't want to get into the business of crafting the language here, but I will try once again to give a commonsense answer. We need this thing to be elastic enough that we can do our job. That is the most important thing to me. Does it allow us to do our job? And as I said before, the second thing that is very important to me is that we speak clearly to our troops. They need to hear us all saying, hey, this is really serious and we are behind this. And that is much more important to me as a non-lawyer than the language itself, as I am sure you appreciate.

Mr. GRAVES. And I agree with you. We want to make sure you have as much latitude as possible. That is very important.

And then that leads to my last question to General Dempsey. It seems I recall one point last year you made a statement that struck me—and I don't know where it was publicly, in the press or where I might have seen it—but you made the statement that arming the rebels or training the rebels was necessary but potentially insufficient. And that was a powerful statement, a very powerful statement.

Do you sense that this resolution or request for use of military force completes that sufficient criteria that you might be looking for in your experience?

General DEMPSEY. I don't think that what I am looking for will be provided by the AUMF. The AUMF really relates to the—literally the use of the military instrument of power.

And what I was referring to was as we—in fact, this is one of the things that I have provided my advice about, which is, as we build this new Syrian force, for example, or as we rebuild the Iraqi security forces, there has to be a companion effort to link it into some responsible political structure or else you have just got—you have just managed to build a bunch of folks who are going to change their loyalties as the situation, you know, evolves.

So the piece I am looking for is what is this military capability we are developing? What does it plug into that makes it responsible over time to inclusivity and representative government?

Mr. GRAVES. Great. Thank you.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Mr. Graves. Batting cleanup, Mr. Diaz-Balart.

AUTHORIZED USE OF MILITARY FORCE

Mr. DIAZ-BALART. Thank you, Mr. Chairman. And I apologize for being late. I was in a meeting with some other budgeteers, trying to make sure that what they do doesn't—

Mr. FRELINGHUYSEN. Mr. Diaz-Balart serves on the Budget Committee. It is not a committee you want to serve on, but it does—

Mr. DIAZ-BALART. I will—

Mr. FRELINGHUYSEN [continuing]. I like to put our oar in the water. The time is yours.

Mr. DIAZ-BALART. Thank you, Mr. Chairman. I was very grateful when I got put on the Budget Committee. You know that is true. Gentlemen, great to have you here. A couple of the points also on the authorization of force. Obviously, flexibility is something that you want and you need. And I think—at least, I can speak for myself—that is something that I want to give you. My understanding, and there is a 3-year limit, in essence. And so we have had a lot of conversations about sequester. We were never supposed to get there, but we got there. So here is my concern: I guess, I mean, do you think 3 years is going to be—we are going to be able to defeat our enemy in 3 years? I think I know the answer to that. And if not, does that 3-year limitation not send, frankly, a confusing message to our troops, Mr. Secretary, which I agree with you, we have to be—to the American people, to our enemies and to our foes and also to our allies?

So, in other words, does it not limit us? Now, all right, maybe we will never get there, but we have seen this movie play out before.

Secretary CARTER. It is an excellent point. And I think that I cannot and would not assure you that the war against—the campaign against ISIL will be over in 3 years. I don't think that is the origin of the 3-year limit. The origin of the 3-year limit, as I understand it, doesn't have to do with whether we have the latitude to conduct the campaign. It has to do with the constitutional nature of the responsibility for using military force in our country and the recognition that it is a joint responsibility of the executive branch and the legislative branch, and the recognition that in 3 years there will be another President of the United States. Not that the campaign is going to be over then, but that in view of the way our country works—and again, this isn't my responsibility. It is certainly not the Chairman's responsibility—but I respect the timetable built in as one that has to do with the nature of this body and its relations with the executive branch.

So as long as nobody thinks it is all going to be over in 3 years—I would dearly love that if we could do that in 3 years—but I cannot predict that we can. The 3 years has something to do with

something else entirely, which is the Constitution, the legal system.

Mr. DIAZ-BALART. And I get that. And I don't want to put you in a highly uncomfortable position. But it could be a limiting—in other words, if we got there in 3 years from now and if your job was not done, ISIL was still there, it could be, then, a pretty serious limitation?

Secretary CARTER. Well, I—

Mr. DIAZ-BALART. Your ability to do what it takes.

Secretary CARTER. The only thing I can say to that is I hope now that 3 years from now people have their eyes open as wide as they seem to have them open now, which is that ISIL has to be defeated. So I would hope that doesn't—doesn't occur.

Mr. DIAZ-BALART. Right. Again, I don't want to put you in an uncomfortable position. I believe this is—I understand this is not your decision, but I just want to make sure that—I think I got the point, which is—so you would not complain if that 3-year limitation was not there?

Secretary CARTER. No. I have no reason to complain on the campaign right now.

Mr. DIAZ-BALART. A couple more issues.

Ms. MCCOLLUM. Mr. Chairman, would the gentleman yield for a question?

Mr. DIAZ-BALART. Yes.

Ms. MCCOLLUM. Do you think we are incapable of doing a reauthorization if ISIL was a threat 3 years from now?

Mr. DIAZ-BALART. Reclaiming my time. None of us thought that we were going to be at the sequester. Remember, we were never supposed to get there and, all of a sudden, we are. And I just think that we have to be very careful to not limit our armed services to the job that they are being asked to do.

Air strikes on ISIL. And I have read that somewhere about 15 to 20 air strikes a day. And to put that in contrast, I learned during Desert Storm I guess it was over a thousand.

Is it 15 or 20 a day, whatever the number is, because we just can't—since it is not a sitting army necessarily that we can't find the targets, or why is—why are those numbers, why limit it to 15 or 20? Is it military? Why?

General DEMPSEY. We are not constrained. If I had 300 targets, we would deal with 300 targets. It is a matter of developing targets in an enemy that is a learning enemy. They don't sit around waiting to be struck any longer. And both our coalition support—you know, our aircraft and the coalition and I are flying close-air—or combat air patrols. When we find a target, we attack it.

Mr. DIAZ-BALART. Great. Thank you.

And lastly—and, Mr. Secretary, I would just like to join the words of Mrs. Granger.

You know, we—sequester is the law of the land. I don't like it, but it is the law of the land. And if we were to mark up, as I heard today in Budget, if we were to mark up at a different number, at a higher number, it is fake, because then the sequester would kick in and it would just automatically take it right out. So I just—you can't control what Congress does. Many of us sometimes are wondering if we can control what Congress does.

But I would just urge you to—it is going to require congressional action. It is going to require Presidential leadership as well, and you can't do anything about us here. But I would just urge you to, please, we have to get those conversations going. We have to get, frankly, those negotiations going. I don't think that is going to happen before the budget is marked up, or potentially even before the appropriations bills are marked up, but we have to have that conversation. It is going to require House leadership, Senate leadership, and it is going to require Presidential leadership.

So I would just, also, urge you to make sure that you spread the word here, which you are doing, but also that you—that we do everything we can to make sure that the President also engages.

Thank you.

Mr. FRELINGHUYSEN. Thank you, Mr. Diaz-Balart.

Just one personal comment on the authorization issue. We used to focus now on al Qaeda, but tomorrow we may be focused on the Quds force. So I know this is ISIL-centric, but in reality, we need to be prepared for every eventuality.

On behalf of the committee, I want to thank you gentlemen for your time, and thank you for representing the best fighting force in the world.

We stand adjourned.

[CLERK'S NOTE.—Questions submitted by Mr. Aderholt and the answers thereto follow:]

CYBER SECURITY

Question. The fiscal year 2016 Department of Defense budget request contains \$5.5 billion for cyber activities, a growth of \$500 million from the 2015 enacted level. Fiscal year 2016 will be the fourth year of the U.S. Cyber Command Cyber Mission Team (CMT) development. The CMTs are comprised of military, civilian, and contractors that will pursue defending the Department's networks from cyber-events and initiate offensive cyber activities against adversaries. The CMTs will reach full capability in fiscal year 2017 and it is estimated that 6,000 people will be required to fully staff the various teams.

Secretary Carter, does the Department of Defense currently have the organic capability to ensure the security of our supply chain from a cyber perspective, meaning, does the Department of Defense have the internal ability to dismantle motherboards, computer chips, and other hardware that exist within our supply chain to ensure no backdoors exist? If not, how are you partnering with industry to build such a capacity?

Answer. Yes, the Department of Defense (DoD) has organic facilities and technical expertise to perform analysis and reverse engineering of computing hardware and integrated circuits. Recently, in response to section 937 of the National Defense Authorization Act for Fiscal Year 2014, DoD established the Joint Federated Assurance Center (JFAC) and initiated an effort to federate its capabilities to facilitate support to acquisition program offices with software assurance (SwA) and hardware assurance (HwA) expertise, tools, policies, guidance, and best practices. The JFAC mission is to coordinate HwA and SwA capabilities across DoD that develop, maintain, and provide vulnerability detection, analysis, and remediation support. The report required by Section 937 contains a further explanation of the organization and operation of the JFAC. The DoD also leverages related Department of Energy (DOE) capability. The JFAC recently completed an assessment of DoD and DOE microelectronics analysis capabilities. The results are classified and can be made available in an appropriate forum. The JFAC is working with other federal agencies, private industry, and academia to improve tools and techniques for assessing the security and reliability of hardware and software.

CONVENTIONAL PROMPT GLOBAL STRIKE (CPGS)

Question. The goal of the CPGS Program is to give the President the ability to strike a powerful, non-nuclear blow precisely on any target anywhere in the world

within 30 minutes. I think that goal has been ‘softened’ to within 60 minutes. The warhead in the Army concept (Advanced Hypersonic Weapon, AHW) is carried on a glide body that skates along the atmosphere at many times the speed of sound. The Army concept is the only one that has had a successful test flight. However, the CPGS office insists on changing the glide body and scaling the Army concept down to an untested and unproven design—necessarily prolonging the testing time-frame and pushing to the right, by many years, deployment of a limited operational capability. Last year, Congress added \$25 million to the DoD budget for the specific purpose of supporting the progress of the AHW (Army) concept.

Secretary Carter, as you are aware, our potential adversaries are moving full steam ahead with operational testing of hypersonic weapons while we dither with changing and altering the design of a successfully tested prototype. I think I am correct in saying that we could have one more demonstration test, and then operational tests and limited deployment of the Army SMDC’s AHW concept in five years or less. A Navy deployment would be 15 years—or more. In response to suggestions to move ahead with such a path, the CPGS office suggestion seems to be to deploy a land-based version of the untested Navy path version of this weapon which is smaller, less powerful, and with a much smaller range. It seems unusual to me for a program office to be so determined not to follow up on its one successfully flown prototype. Whereas an eventual Navy-deployed weapon might offer some value because of the maneuverability of submarines, this suggestion to deploy a land-based version of something which has never flown, and which has a limited range, seems to me to be counter-productive. I am not supportive of the media-reported 900 million dollar-plus five-year path to develop this smaller version of a hypersonic weapon, which even at that point would not be ready for deployment for years. Do you believe that it is in the Nation’s national security interest to deploy, as soon as possible, an operational hypersonic system in order to deter our enemies?

Answer. DoD carefully monitors and assesses the hypersonic technology developments of other nations, and we balance these developments against the prioritized operational requirements of our Combatant Commanders, treaty commitments, and national policies in a resource-constrained environment. In the case of hypersonic boost-glide technology development, as exemplified by Conventional Prompt Global Strike (CPGS) efforts, there are tradeoffs between explosive power, glider/booster size, weight, range, operational flexibility, survivability, and affordability.

The CPGS Defense Wide Account uses a national team, to include experts from the Army, Navy, Air Force, and DARPA, to mature critical technology elements and reduce technical risks ahead of a potential Materiel Development Decision, selection of a basing mode, or possible investment in an acquisition program. Recent classified and unclassified reports to Congress, reports in progress, and engagements with authorization and appropriation committee staff have reiterated the technical approach and flight test objectives of the CPGS effort.

The CPGS flight test in November 2011 was an important step for the Nation to address some of the technical challenges related to hypersonic boost-glide flight, but the test was not representative of an operational system. The successful 2011 test yielded valuable flight, ground, modeling, and simulation data in the areas of aerodynamics, thermal protection systems, and navigation, guidance, and control, and this data is being fully leveraged as the CPGS program moves forward. Through the preparations leading up to the CPGS launch attempt in August 2014 (FT-2), and ongoing preparations for the next CPGS flight test (FE-1), the national team is making tremendous progress in the areas of first-ever live warhead integration with a hypersonic glider, flight control software improvements, higher G-loads for flight maneuverability, increased reliability and manufacturability, and greater prime contractor involvement to recommend improvements to the government’s design.

Additional information will be provided in the FY 2015 CPGS report to Congress, which will be submitted in late Spring 2015.

Question. Secretary Carter, I would appreciate a detailed review of several aspects of the proposed FE-1 test. A) Although it has recently been suggested that this is not necessarily a Navy-path test and that the test is beneficial to an Army or Navy path in the future, in fact I think this test was planned and named five years ago or more, has always been a Navy-path test, and creates a lot of operational and flight risk as compared to the glide body flown in 2011. Please confirm whether this is essentially the third test in the Navy-path, which goes back to the CTM concept. B) What is the total cost of this test? I believe the amount of \$170 million may not cover all of the development, acquisition, range, and other costs. C) How much of this test duplicates what was already learned from the FT-1 test of the 2011 version of the glide body? D) How many of the same objectives (of FE-1) could be achieved by using the 2011 glide body and designing a near-term FT-3 flight test?

E) What would be the cost of doing that FT-3 test and following operational tests if the most economical booster were used, as suggested by the studies written by SMDC? I ask that your office obtain those studies in their entirety.

Answer.

A. The Conventional Trident Modification (CTM) concept was not a boost-glide concept. The CPGS FE-1 glide body has a different geometry, flight trajectory, and warhead design than CTM. Recent classified and unclassified reports to Congress, reports in progress, and engagements with authorization and appropriation committee staff have reiterated the technical approach and flight test objectives of the CPGS effort, to include the differences from the abandoned CTM concept.

B. The cost for the FE-1 flight test is estimated to be approximately \$160 million. This includes support from the Army, Navy, Air Force, and national laboratories for test planning, design, glider and booster development, component testing, fabrication, test range assets, and test execution.

C. The FE-1 test is focused on new objectives, such as warhead integration. With the exception of the range (distance) of the test flight, there is no duplication of FT-1A in FE-1. FE-1 is leveraging knowledge gained from FT-1A and dramatically advances Critical Technology Efforts that will benefit future flight tests.

D. Additional information, to include the number objectives of FE-1 that could be achieved on a FT-3 flight test, will be provided in a report to Congress the Department plans to deliver in late May 2015 after review and approval from USD(AT&L). The CPGS common technology development approach may give DoD options for land, sea, or air basing. Under consideration are tradeoffs between explosive power, glider/booster size, weight, range, operational flexibility, survivability, and affordability.

E. The Department is currently preparing a separate report to Congress that will address potential costs for various CPGS concepts. We plan to deliver that report before the end of the fiscal year.

Question. Secretary Carter, in the opinion of some people, since no service has taken budgetary ownership of the hypersonic mission, the program is stuck in a technology demonstration cycle rather than being on a path to producing, as soon as possible, an operationally deployable system. What language would help your Department clarify Congressional support for the CPGS program to produce an operational hypersonic weapon of the full-range possible with the 2011 glide body within five years?

Answer. As the Chairman of the Joint Chiefs of Staff conveyed last year, the U.S. hypersonic boost-glide strike capability was recently addressed by the Joint Requirements Oversight Council (JROC) in November 2012. It was determined that the existing portfolio of fielded strike systems or modifications to current systems can meet the interim long-range-strike requirements identified in the prompt strike Initial Capabilities Document with acceptable risk.

The JROC did recognize that potential future circumstances may require a capability to address high value, time sensitive, and defended targets from ranges outside the current conventional technology. However, the Department is not confident that a realistic, affordable hypersonic strike concept capability can be fielded in the near future. As a result, congressional language to produce an operational hypersonic weapon of the full range possible with the 2011 glide body within five years is not warranted. Continued congressional support for funding CPGS efforts as requested in the President's Budget is needed, however. The CPGS effort continues to address critical technology elements to reduce risk ahead of a potential material development decision.

Question. Secretary Carter, perhaps it is time to re-examine the best way to achieve the original goals of PGS. Would the Department of Defense be able to better utilize taxpayer dollars through the dissolution of the CPGS office and establishment of an Army-led joint program office to rapidly advance hypersonic weapon technology with an explicit goal of a near-term operational deployment of a ground-based system and follow-on technological demonstrations of alternate deployment options? Please notify the Committee of the closeout costs of terminating the CPGS office.

Answer. The Department provided a report to Congress in October, 2014 entitled, "Conventional Prompt Global Strike: Assessment of Reassigning Management Responsibility." In the report, we concluded maintaining the Defense-Wide organizational architecture was important for program momentum and continuity. The Defense-Wide effort has worked to eliminate redundancies among Service efforts, illu-

minate opportunities for collaboration between them, and make efficient use of limited DoD resources.

Question. My understanding is that a JROC classified document may include a requirement for PACOM for a weapon of the capacity of the original PGS plan—a capability which could be achieved with further testing of the 2011 glide body. Can you clarify whether this requirement does exist?

Answer. As the Chairman of the Joint Chiefs of Staff conveyed last year, the U.S. hypersonic boost-glide strike capability was recently addressed by the Joint Requirements Oversight Council (JROC) in November 2012. It was determined that the existing portfolio of fielded strike systems or modifications to current systems can meet the interim long-range-strike requirements identified in the prompt strike Initial Capabilities Document (ICD) with acceptable risk. The JROC did recognize that potential future circumstances may require a capability to address high value, time sensitive, and defended targets from ranges outside the current conventional technology; however, there is no requirement in the JROC for a weapon of the capacity of the original CPGS plan.

A hypersonic strike capability, not necessarily limited to or explicitly defined by the 2011 glide body, is supported by U.S. European Command, U.S. Central Command, U.S. Pacific Command, and U.S. Strategic Command; however, the Department is not confident that a realistic, affordable hypersonic strike concept capability can be fielded in the near future. Technology risk must be reduced, projected costs driven down, and operational considerations addressed before the Department commits to funding and fielding this kind of capability.

EELV ENGINE PROGRAM

Question. Last year Congress authorized and appropriated \$220 million for the development of an advanced American-made liquid rocket engine, to replace the imported Russian-made RD 09180 rocket booster engine. The Joint Explanatory Statement accompanying the Fiscal Year 2015 National Defense Authorization Act (P.L. 113–291) states: We note that this provision is not an authorization of funds for the development of a new launch vehicle. This provision is for the development of a rocket propulsion system to replace non-allied space launch engines by 2019. In the President's fiscal year 2016 budget request, the Air Force included \$84.5M for research and development (RDT&E) for the Evolved Expendable Launch Vehicle Program (EELV) in a sub-line entitled "Next Generation Liquid Rocket Engine". However, the justification documents submitted with the budget reference the planned expenditure of funds for development and upgrades to "domestic launch systems", not to a launch engine. Specific examples from the budget documentation include: In FY2016, the Department of Defense will build off FY15 efforts and fund a program to invest in the development of new or upgraded domestic launch systems via a shared investment approach with domestic launch providers. This program funds research and development activities and related studies support to reduce risk and mature domestic rocket propulsion technologies to enable our long-term rocket propulsion/launch system national security space requirements and shared investments in the development of new or upgraded launch systems. Invest in two or more launch service providers' new launch system development and/or upgrades to existing launch systems to provide two or more domestic, commercially viable launch providers that also meet NSS requirements available by the end of FY2022. The Air Force appears to be heading towards the development of a new launch vehicle instead of a new engine. Further, the Air Force does not appear to be heading towards establishment of a competitive rocket engine development program as directed by Congress in P.L. 113–291, Section 1604.

Secretary Carter, why is the Air Force not moving to immediately create a competition for designing an engine (not a launch vehicle) that meets the requirements as laid out by Congress, specifically compatibility with Atlas V and availability for other companies to use?

Answer. We fully support the transition off the RD–180 rocket engine as quickly as possible for launch of National Security Space (NSS) missions. The Department's ultimate goal is two domestic, commercially competitive launch service providers able to support the entire NSS manifest. However, simply replacing the RD–180 with a new engine is not the answer, as we ultimately need a launch system and rocket engines are not a drop-in type of solution. We essentially build the rocket around the engine to address systemic technical challenges, such as: engine vibrations, launch vehicle structures, fuel storage and flow, and combustion stability. We know from our prior experience in developing rockets throughout the past several decades that a rocket engine and its associated launch vehicle must be designed concurrently. Furthermore, since the beginning of the EELV program, and consistent

with both the commercial space act and national policy, the government has procured launch services, and has not taken ownership or liability for individual components or hardware.

NATIONAL SECURITY COUNCIL (NSC)

Question. Secretary Carter, according to a recent article, the White House’s National Security Council (NSC) has grown significantly under this administration and now totals more than 300 staff How many Department of Defense employees—broken down by military and civilian—currently serve and have previously been detailed or otherwise assigned to work for the NSC?

Answer.

	2015 (Current):
Military =	19
Civilian =	22
Total =	41

From 2005 to present, approximately 395 DoD personnel have been detailed to the staff of the National Security Council.

On average, there are approximately 40 DoD personnel detailed per year. The actual number fluctuates based on new requirements identified by the NSC and/or due to attrition.

Question. Please provide a detailed breakdown, by year, since 2005 of the number of military and civilian DOD personnel assigned to work for the NSC in any capacity.

Answer.

	2015:
Military =	19
Civilian =	22
Total =	41

	2014:
Military =	18
Civilian =	20
Total =	38

	2013:
Military =	17
Civilian =	16
Total =	33

	2012:
Military =	21

2012:	
Civilian =	21
Total =	42

2011:	
Military =	21
Civilian =	20
Total =	41

2010:	
Military =	25
Civilian =	12
Total =	37

2009:	
Military =	24
Civilian =	13
Total =	27

2008:	
Military =	25
Civilian =	07
Total =	32

2007:	
Military =	26
Civilian =	12
Total =	38

2006:	
Military =	18
Civilian =	19
Total =	37

	2005:
Military =	14
Civilian =	15
Total =	29

Question. Secretary Carter, when a DOD employee is assigned to NSC, does the Department continue to pay for their salary or is it covered by the Executive Office of the President or other government agency?

Answer. Yes. For DoD personnel detailed to the staff of the National Security Council, the respective component within the Department continues to compensate their employees for pay and benefits while they are detailed.

Question. How much money is spent by DOD to cover the salaries of military and civilian personnel assigned to NSC? Please provide a detailed breakdown of those costs, and summary, by year since 2005.

Answer. The “Annual Department of Defense (DoD) composite Rate” is used when determining the military personnel appropriations cost for budget/management studies, but should not be considered as the fully-burdened cost of military personnel for workforce-mix decisions.

TOTAL ESTIMATED COST BASED ON DOD COMPOSITE RATE & LEVEL 5 PAY SCALE

Year	Annual DoD Composite Rate (Military)	*Cost Based on Annual Pay Scale Level 5 (Civilian)	Total
2015	\$1,889,725	\$2,989,411	\$4,879,136
2014	3,719,172	2720,650	6,439,822
2013	3,725,219	2,071,211	5,796,430
2012	4,332,030	2,541,415	6,873,445
2011	4,334,091	2,479,866	6,813,957
2010	4,979,995	1,468,133	6,448,128
2009	4,658,099	1,545,770	6,203,869
2008	4,674,526	772,752	5,447,278
2007	4,059,593	1,480,404	5,539,997
2006	2,649,720	1,981,242	4,630,962
2005	2,228,813	1,457,506	3,686,319

* Civilian amounts referenced are calculated based on the individual detailee's military rank or civilian pay grade (level 5) for the purpose of providing an 'estimated' cost as salary information is not available to this office.

Question. Secretary Carter, the so-called Islamic State (IS or ISIS), poses a significant threat to regional security as well as the U.S. Homeland. Since 2013, their expansion has surprised the West and their power was and continues to be underestimated by President Obama. We know that the seizure of weapons and ammunition during their early expansion contributed to the rapidity with which they have been able to secure territory. What is not clear, is how IS continues to expand. (A) How is ISIS getting weapon and ammunition resupply? (B) What is your department doing to identify and stop IS' weapon/ammunition suppliers? (C) What can Congress do to assist you in this important matter?

Answer. ISIL obtained significant weapons, materiel, and funding following seizure of territory in Syria and Iraq. ISIL further expanded its resource base through robbery, extortion of local populations, oil revenues, and ransom from kidnapping. A prime example of this is the approximately \$400 million dollars stolen from banks in Mosul. ISIL uses this revenue and its continued extortion and economic activities to fund operations and weapons procurement. ISIL also relies on foreign contributions for both fighters and monetary support.

Coalition military forces have attacked ISIL's command and control structure, leaders, field forces, supply lines, and military and economic infrastructure and resources in Iraq and Syria. These attacks have destroyed a significant portion of its capability, including tanks, vehicles, and weapon systems. We have struck more than 150 oil infrastructure targets that ISIL uses to generate revenue and continue to pressure its control over key lines of supply throughout Iraq and Syria. DoD is also providing support to other departments and agencies to disrupt ISIL financing which can be used to purchase weapons and materiel.

Question. In light of the previous question, what is the status of the arming of Syrian moderate rebel groups? Please submit a full update to the Committee on the status and backgrounds of these moderate groups. Additionally, describe to the Committee the process the Department of Defense is using to vet these groups.

Answer. We plan to begin training and arming appropriately vetted Syrian opposition forces this spring. Saudi Arabia, Turkey, Jordan and Qatar will host the training of these forces and we are finalizing site improvements. More than 350 U.S. and coalition partner personnel have arrived in the region to finish preparations and commence training. Through our collaboration with the other U.S. departments and agencies and foreign partners, we have identified 2,800 Syrians who may be eligible to receive the training.

The pre-screening process, which is already underway, begins with the compilation of biographical data on the potential recruits that is then run through a series of interagency and coalition databases. When the pre-screening process is complete, the recruits undergo a full biometric screening process, and physical and psychological evaluations. Although we have identified recruits, we cannot publically disclose the names of specific groups we are recruiting due to host nation sensitivities and operational security considerations. Screening of opposition fighters is a continuous process.

Question. ISIS has committed horrific acts of violence and oppression against many groups in Iraq and Syria, but Christians and Kurds have borne a significant amount of that barbarism. To what extent has the Department of Defense provided support to Kurds, and to Syrian Christians?

Answer. The horrific acts of violence committed by ISIL against ethnic and religious minorities in both Syria and Iraq, including against Kurds and Christians, is at the heart of why we are working to degrade and defeat ISIL. U.S. and coalition partners have conducted air strikes and humanitarian airdrops to protect and support innocent civilians. In Syria and Iraq, our air strikes have complemented the efforts of Kurdish ground forces to blunt ISIL advances and retake terrain in northern Iraq and in the Kurdish enclave of Kobane. We have also conducted air strikes in Hasakah Province, where ISIL has threatened Syrian Christians.

Last summer the Department of Defense established the Iraq Resupply Task Force to expedite the delivery of critical equipment and munitions to Kurdish forces. The Task Force has facilitated the delivery of almost 2,400 tons of equipment, including more than 64 million rounds of ammunition and 21,000 weapons, into Erbil for the Peshmerga. We also provided 25 Mine Resistant Ambush Protected vehicles to Kurdish forces earlier this year. Kurdish forces are also participating in coalition training in Erbil. Several other Peshmerga units benefit from coalition advice and assist efforts in northern Iraq, and Peshmerga units will begin to receive equipment from DoD and coalition donations this spring.

[CLERK'S NOTE.—End of questions submitted by Mr. Aderholt. Questions submitted by Mr. Visclosky and the answers thereto follow:]

JANUARY 2015 REPORT BY THE DEFENSE BUSINESS BOARD

Question. In January 2015, the Defense Business Board released a report entitled, "Transforming DoD's Core Business—Process for Revolutionary Change." The report states that "We can see a clear path to saving over \$125 billion in the next five years" and immediately follows that statement with "The greatest contributors to the savings are early retirements and reducing services from contractors."

Secretary Carter, I realize that the report was only released recently, but has the Department considered implementing any of the proposed cuts in service contract spending recommended by the Defense Business Board? Do you anticipate these proposals being applied in future DoD Budget Requests?

Answer. As in past efficiency initiatives in the Department, contract optimization will be part of my management reform approach. Additionally, the USD (AT&L) continues to implement better buying power initiatives that include contract reviews and optimization. Any reduction to these costs will allow the Department to continue to sustain investments in readiness and modernization activities.

INVENTORY OF CONTRACTS FOR SERVICES

Question. Mr. McCord, this question is to follow-up on the letters we exchanged earlier this year regarding the Inventory of Contracts for Services (ICS). As I think we both agree, given the extent to which the Department relies on service contracts, it is imperative that it have a reliable and comprehensive inventory of those service

contracts. This would help identify and control those costs as we do already with the costs of civilian employees.

In your February letter, you indicated that the Department remains committed to the continuous improvement of the ICS. As the inventory improves, how will your office ensure that components and defense agencies will actually use that inventory in order to reduce spending on service contracts, both generally and specifically?

Answer. The Inventory of Contract Services (ICS) is a key tool in determining the right mix of military, civilians, and contracted services needed to reflect new strategic priorities and evolving operational challenges. The Department's internal ICS guidance directs all Components to use the inventory reviews and subsequent workforce shaping decisions to inform programming and budget matters, including requests to realign work, as appropriate, to military or civilian performance. During the upcoming fiscal year 2017 program and budget review, my office will continue to scrutinize contract services spending in order to remain in compliance with section 808 of the FY 2012 National Defense Authorization Act, as amended, and section 955 of the FY 2013 National Defense Authorization Act.

The Department's sourcing of functions and work among military, civilian, and contracted services must be consistent with workload requirements, funding availability, readiness and management needs, as well as applicable laws and guidance. Going forward, the Department continues to be committed to defining the right workforce mix and properly insourcing functions previously performed by contractors that are either inherently governmental functions or are more efficiently performed by civilians.

INSOURCING

Question. Mr. McCord, in prior year NDAA's there have been requirements for the Department to issue regulations that would make it easier for managers to take funding for contractors and instead use it to pay for civilian employees. Has the Department complied with the FY14 requirement?

Answer. The Department has not yet finalized the regulations referenced under section 1108, "Compliance with Law Regarding Availability of Funding for Civilian Personnel," of the FY 2014 National Defense Authorization Act, but is working to do so. In the interim, the Department is continuously working to determine the right mix of military, civilians, and contracted services needed to reflect new strategic priorities and evolving operational challenges. The Department's sourcing of functions and work among military, civilian, and contracted services must be consistent with workload requirements, funding availability, readiness and management needs, as well as applicable laws and guidance. In-sourcing has been a very effective tool to rebalance the workforce, realign inherently governmental and other critical work to government performance, and in many instances, to generate resource efficiencies for higher priority goals.

In-sourcing contracted services must meet the necessary criteria (consistent with governing statutes, policies, and regulations) by:

- absorbing work into existing government positions by refining duties or requirements, or
- establishing new positions to perform contracted services by eliminating or shifting
- equivalent existing manpower resources (personnel) from lower priority activities.

Question. Your predecessor Bob Hale told our counterparts on the Senate Defense Appropriations Subcommittee in 2013 that service contractors generally cost two to three times what in-house performance costs, particularly for long-term functions. Given the need to reduce costs, what efforts has the Department undertaken to save costs from insourcing long-term functions performed by contractors?

Answer. The Department continues to improve its accounting of and visibility into contracted services utilization as part of its annual, statutorily required Inventory of Contracted Services. As part of that process, DoD component heads are directed to conduct reviews of their use of contracted services to determine if more appropriate, or cost effective, performance of that function can be achieved by in-sourcing that work to an organic government workforce. Accordingly, the President's Budget FY 2016 reflects a total force and manpower mix strategy that aligns functions and work among military, civilian, and contracted services in a cost-effective and balanced manner consistent with workload requirements, funding availability, laws, and regulations.

[CLERK'S NOTE.—End of questions submitted by Mr. Visclosky.]

TUESDAY, MARCH 17, 2015.

FY 2016 NATIONAL GUARD AND RESERVES

WITNESSES

GENERAL FRANK J. GRASS, CHIEF, NATIONAL GUARD BUREAU

**LIEUTENANT GENERAL STANLEY E. "SID" CLARKE, III, DIRECTOR, AIR
NATIONAL GUARD**

**MAJOR GENERAL JUDD H. LYONS, ACTING DIRECTOR, ARMY NA-
TIONAL GUARD**

**LIEUTENANT GENERAL JEFFREY W. TALLEY, CHIEF, UNITED STATES
ARMY RESERVE**

OPENING STATEMENT OF CHAIRMAN FRELINGHUYSEN

Mr. FRELINGHUYSEN. Good morning. The committee will come to order.

Happy St. Patrick's Day, everybody.

And a number of our members have other committee hearings, but I know they want to participate and they will be here in due course.

This morning the committee will hold a hearing on the posture of the National Guard and U.S. Army Reserves. We will focus primarily on readiness issues related to personnel, training, equipment, modernization, reset, and the effects of fiscal constraints on the force.

Ladies and gentlemen, we owe a debt of gratitude to the men and women of the Reserve component. The soldiers and the airmen of the Guard and Reserve performed magnificently in Iraq and Afghanistan, and some, of course, still do in Afghanistan and throughout the world. They have worked seamlessly with their Active-Duty colleagues in ways that allows mission after mission to be accomplished. And may I add they have paid a price.

Of the 6,800 military personnel who died in the war zones of Iraq and Afghanistan, nearly 700 were Guard, Army Reserve, or Marine Reserve members. We also never forget that the military is an inherently dangerous job, even far away from combat. So this morning we note the loss of four members of the Louisiana Guard who, along with seven Special Forces marines, died in service of the country last week in a training accident off the coast of Florida. We mourn with their families and thank them for their services. And, gentlemen, please, extend our greatest sympathy to those families for their sacrifices.

We would also like to thank your troops for their dedication to their communities, to their States, and to their country during a time in which our way of life continues to be threatened.

We are pleased this morning to welcome four distinguished General officers as witnesses:

General Frank J. Grass is the Chief of the National Guard Bureau, a permanent member of the Joint Chiefs of Staff, representing more than 460,000 citizen soldiers and airmen in the Army and Air National Guard.

I would also like to extend the committee's appreciation for General Grass's better half, Pat, for being here this morning. And she sits behind him, but she does much more than sit behind him. She stands alongside him, working on behalf of all of those in the Guard and Reserve.

I would also like to welcome Lieutenant General Stanley "Sid" Clarke, III. He is a Director of Air National Guard. General, we appreciate the experience and expertise that you bring to this hearing.

Major General Judd Lyons is the Acting Director of the Army National Guard. This is General Lyon's second year to testify before the committee. We welcome you.

And, finally, we are pleased to welcome back the Chief of the U.S. Army Reserves, Lieutenant General Jeffrey W. Talley. Thanks, also, General, for your contributions.

Welcome. We are eager to hear your testimony, which will assist the committee to better determine the needs of guardsmen and reservists, whether in their home State or deployed around the world.

Of course, this committee is worried about the funds that will be made available for the Guard and Reserve under the Budget Control Act. Even given limited resources, this committee will continue to do everything possible to ensure adequate funding for the equipment, modernization, and readiness for both your homeland and wartime missions.

We remain, as a committee, very concerned about the readiness of the National Guard and U.S. Army Reserves following over a dozen years of war and the likelihood of further conflict across the globe.

End strength. How do we right size your forces to maximize your military effectiveness while making our national security dollars go as far as possible? The Army Aviation Restructure is the big Army's top priority. We look forward to your perspectives on the future of Apaches, Black Hawks, Lakotas and Kiowa Warriors.

The committee also understands the NGRE has been a critically important tool in the modernization of the Guard and Reserve. We want to hear from you on how this fund is working, since we were very much involved in funding it.

The committee is also eager to discuss your increasingly important role in the cyber world. It seems to many of us that guardsmen and -women bring critical skill sets from the private sector into their military job, and we must find a way to take advantage of those special skill sets.

Generals, we look forward to your testimony. But, first, I would like to call on my ranking member, Mr. Visclosky, for any comments he may care to make.

Mr. VISCLOSKY. Thank you, Mr. Chairman.

Sorry for holding everybody up. I apologize.

Thank you, Mr. Chairman, for holding the hearing and, gentlemen, for your service. I look forward to your testimony. Thank you.

Mr. FRELINGHUYSEN. General Grass, we welcome your testimony. Your entire statement will be put in the record.

SUMMARY STATEMENT OF GENERAL GRASS

General GRASS. Mr. Chairman, thank you.

And, Chairman Frelinghuysen, Ranking Member Visclosky, and distinguished members of the subcommittee, it is a pleasure to be here today with my wife, Pat, and my fellow National Guard and Reserve leaders.

I am honored to represent 460,000 citizen soldiers and airmen and their families, communities, and employers that support them. I would also like to echo chairman's condolences to the families of the Louisiana National Guard and the Marine Special Operations warriors who lost their life in the accident in Florida last week. This tragedy is a reminder of the sacrifices our members and families make on a daily basis.

Over the past 13 years of sustained conflict, with the help of the Congress, the Guard has transformed into a premiere operational force, serving with distinction as the primary combat reserve of the Army and Air Force. The Nation's investment in the Guard has resulted in the best trained, led, and equipped Guard in history. It is the finest I have seen throughout my career.

The Guard is tremendously appreciative of this committee's support. I want to thank you for funding programs, such as the National Guard and Reserve equipment account, improving Army Guard readiness, HMMWV modernization, new radars for our F-15 fighters, Black Hawk helicopter procurement, and other critical dual-use priorities.

As we look to the future, we face three realities shaping the security environment: the global realities, the fiscal reality, and the reality of change.

A global reality that includes asymmetric adversaries and regional instability is intertwined with a fiscal reality that requires us to balance the need to provide security to the Nation with other domestic spending requirements.

These realities exist aside the reality of change, change that has resulted in a borderless world and a more informed U.S. population that expects the government to respond to natural and manmade disasters at greater speeds.

In view of these realities in the security environment, I am concerned that, with sequestration, the Nation will have its smallest National Guard since the end of the Korean war, despite the U.S. population approximately doubling since 1954.

This will create challenges in responding to the needs of the Governors at a time the Army and the Air Force will rely more heavily on the operational Reserve to accomplish combatant command missions. If funding levels are below the President's budget request, we risk not being able to execute the defense strategy.

The soldiers and airmen who serve and their families, communities, and employers who support them are our most treasured resource. The Nation's investment in developing combat and mission-ready guardsmen through a wide array of resourced, accessible, and effective programs is greatly appreciated, but must not be left to degrade or return to a strategic reserve. Moving forward, finding

the right balance in our military, active Guard and Reserve will be more critical than it has been in history.

Your National Guard is a proven option for rapid, cost-effective and seamless expansion of our Armed Forces. Modest, but necessary, investments in training, manning, and equipment will maintain the readiness of the National Guard as an operational force.

Thank you for allowing me, sir, to be here today. And I look forward to your questions.

Mr. FRELINGHUYSEN. Thank you, General.

[The written statement of General Grass follows:]

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STATEMENT BY

GENERAL FRANK J. GRASS

CHIEF, NATIONAL GUARD BUREAU

BEFORE THE

HOUSE APPROPRIATIONS COMMITTEE

SUBCOMMITTEE ON DEFENSE

FIRST SESSION, 114TH CONGRESS

ON

THE NATIONAL GUARD

AND RESERVE POSTURE HEARING

MARCH 17, 2015

NOT FOR PUBLIC DISSEMINATION

UNTIL RELEASED BY

HOUSE APPROPRIATIONS COMMITTEE

Opening Remarks

In this time of uncertainty where national and global security challenges are intertwined with fiscal constraints, the National Guard stands ready to meet these challenges and open a new chapter in its long and proud history. This new chapter begins with a National Guard that is accessible, responsive, and capable.

A strategic transition is underway – a necessary transition driven by constrained resources after over 13 years of sustained combat operations. While we must deal realistically with budget limits and a volatile global landscape, we must always ensure that we are ready to do the three things we do extraordinarily well: fight America’s wars, respond in the homeland, and build partnerships.

Fight America’s Wars

Since 9/11, the Army National Guard and Air National Guard have met every deployment requirement assigned to them, with the broadest mission sets possible. From Brigade Combat Teams conducting counterinsurgency operations and Combat Aviation Brigade deployments, to expeditionary Wings operating around the world, as well as non-standard units such as Agribusiness Development Teams, we have worked seamlessly with our active component counterparts. With nearly 770,000 individual overseas

mobilizations, the National Guard has proven, time and time again, that we are and will remain ready if properly resourced.

Our ability to meet all contingencies at home and abroad while enabling security around the world is no small task. For more than a decade of combat, our Guardsmen have fought alongside our active component counterparts with distinction and valor. Their capabilities are a testament to the years of training and investment America has put into the National Guard to be a vital part of the on-demand force for the nation. Our Guard has gained the trust of the American people. This trust was earned through hard work and sacrifice of our Soldiers and Airmen.

Responding in the Homeland

The National Guard has a special role as the original homeland security and defense force. Using our unique array of authorities, we respond to the needs of the nation and the states. The National Guard is positioned in nearly 3,000 communities to provide an immediate response to local, state, and national emergencies as well as ongoing domestic missions. Close ties with the states and local communities enable the National Guard to play a significant role in domestic emergencies.

Whether responding to natural disasters such as severe storms, wildfires, and hurricanes or man-made threats to the homeland, the National Guard is the first military force to reach the scene, working hand-in-hand with state and local leaders and emergency personnel when called by the governor.

Building Global and Domestic Partnerships

The National Guard also strengthens and sustains partnerships on a daily basis. One of our greatest strengths is our close cooperation, built on trust, with our local, state, federal, and global partners. Programs such as the State Partnership Program (SPP), pairing individual U.S. states with partner nations has paid huge dividends in establishing long-term security and personal relationships. These enduring partnerships stand as some of the strongest security partnerships in the world. For a small cost to our taxpayers, the SPP delivers strategic benefits by providing training, sharing military and homeland defense expertise, and encouraging partner nations to participate in coalition operations. Beyond budget pressures, SPP has contributed to the U.S. efforts to counter anticipated and unanticipated global threats as they emerge and has fostered personal relationships with defense leaders around the world.

These partnerships and personal relationships in strategic regions around the world have proven invaluable. Whether conducting co-deployments with state partners on coalition operations or foreign defense leaders reaching out directly to state partners during contingencies or times of crises, the strategic impact of the SPP has been remarkable.

With the ongoing success of the SPP, we look forward to expanding the program beyond the current 74 countries. The National Guard will continue to collaborate closely with the Department of Defense, combatant commands, and the Department of State in addressing future challenges, and maintaining the goodwill we have established with our partner nations.

Proven and Cost-Effective Force

The Department of Defense faces tough decisions in this time of limited budgets and must rethink its strategies and make decisions on how to balance readiness with force capacity. The National Guard is a proven option that allows for rapid, cost-effective and seamless expansion of active component forces. This scalability preserves capability and capacity rather than forcing the nation to choose between them. As the military draws down, the advantages of the National Guard become obvious. We stand as a hedge during this time of uncertainty and provide reversibility when needed in the future. The National Guard provides this capability while saving the nation significantly on personnel costs – costs that can be reinvested for modernization and readiness.

I am confident in the National Guard's ability to meet the nation's demands in wartime and peacetime, at home and abroad. However, retaining all of the advantages of today's National Guard into the future requires maintaining the readiness of the National Guard. This is accomplished through operational use, relevant training, and continued investment in modernization and recapitalization. Preserving a fully operational Army and Air National Guard is imperative to meet the future challenges our nation faces.

As the combat reserve of the Army, we must ensure that our Army National Guard maintains a balanced force that is organized to conduct the full spectrum of missions and has the level of support to maintain base line levels of readiness. To maintain these levels of readiness the National Guard must

conduct dynamic training, such as Combat Training Center rotations and exercises. We must also employ units to achieve the necessary operational experience and leadership development. This includes predictable, rotational deployments that enable us to maintain the combat tested proficiency we have gained over the past decade.

The Air National Guard, Air Force Reserve, and U.S. Air Force continue to work together to create the Total Air Force capable of meeting our domestic and global security requirements, both today and in the future. The Air National Guard's part of the Total Force plan includes hosting active component Airmen in active associate organizations to help build the Total Force experience base. It also includes transitioning units to a broader range of high-priority missions in Intelligence, Surveillance, and Reconnaissance (ISR) such as Remotely Piloted Aircraft (RPA) as well as cyber missions.

Choosing to resource the National Guard leverages the tremendous value that the Guard provides America, with a force ready at a moment's notice for domestic missions and proven, capable Soldiers and Airmen for overseas combat operations. When not activated, this immense capacity comes at about one-third the fully burdened and life-cycle costs, per capita on average, of an active component service member.

Closing Remarks

The foundation of the National Guard is our people – its units, families, communities, and employers. It has been our families and communities that

have sustained us over the past decade of multiple deployments and sacrifices. We must continue to keep faith with our force, our families, and our neighbors. We will honor our fallen patriots and wounded warriors by supporting their families and helping them reintegrate into their communities.

The National Guard will strive to continue to foster positive environments that are free from abuse, harassment, and discrimination and develop resilient Guardsmen and families. We must ensure that we are moving in the right direction. The nation's investment in developing healthy Guardsmen and families through a wide array of resourced, accessible, and effective programs is greatly appreciated.

Our nation will undoubtedly face significant domestic, global, and fiscal challenges in the future. The National Guard will strive to meet these challenges by providing our nation an accessible, responsive, capable, ready, and affordable force. We will continue to bring needed capabilities to both the nation and to communities through our unique array of state and federal authorities. The National Guard is woven into the fabric of our nation through communities everywhere, ready and willing to transform from civilians to Guardsmen on a moment's notice.

I want to thank this Committee for your continued support of our Citizen-Soldiers and Airmen. I look forward to your questions.

SUMMARY STATEMENT OF GENERAL CLARKE

Mr. FRELINGHUYSEN. General Clarke, good morning again.

General CLARKE. Good morning, sir.

Good morning Chairman Frelinghuysen, Ranking Member Visclosky. Thanks for the opportunity.

This is my third time to appear before this committee, and I remember how cozy it is here in here.

Mr. FRELINGHUYSEN. Very cozy in here.

General CLARKE. The broad shoulders of my Army colleagues makes it interesting here.

We have over 105,500 members of the Air National Guard and just one member here, but I am very proud to be at the helm of leading the Air National Guard, part of the National Guard Bureau, but also working with the Air Force.

And I want to tell you that the relationship between the Air National Guard and the United States Air Force is excellent. We get along very, very well. And we do things collaboratively, transparent, and we work with the States Adjutants General in almost everything we do in an open, transparent way.

So we have—of the 105,500 consistently deployed members of the Air National Guard, in fact, over 2,000 are deploy-delayed today across the globe, doing a variety of operations. I see no slowdown whatsoever for the Air National Guard in the next year.

Indeed, with 12304b mobilizations, volunteerism, and 12302 authority, we see one heck of a lot of support of the Air National Guard supporting combatant commanders around the globe continuing to be a proven choice for the warfighting operations that we support.

With regard to the homeland, the Air National Guard provides multiple capabilities that are used on a daily basis. Our firefighting capability, the explosive ordnance disposal capability, along with a variety of other things that we also dual-use for the overseas fight that we use at home, are consistently put to work on a daily basis, including the rescue operations and other capabilities.

With regard to security cooperation, we continue to be supportive of the State Partnership Program around the globe. We also have bilateral relationships that don't even exist inside the State Partnership Program that we support. An example of that would be what we do for the air forces of Iraq. We are doing the training for the C-130Js that they have at one of our units. Additionally, the F-16 foreign training is all done at Tucson by the Air National Guard.

And, finally, I would like to say that we are doing a variety of theater security cooperation package—cooperation of elements that are overseas supporting combatant commanders on a daily basis. What I just said is we are heavily invested in the operational Reserve concept in multiple ways.

And let me tell you, our airmen love it. They love being operationally engaged. More than half of our people who have joined since 9/11, they know the future holds that they will be engaged. Their employers know that. Their families know that.

There is a balance that has to be struck between all of it, but they like being a part of the operational Reserve and supporting

the United States Air Force and the Nation when we do things overseas, and they love doing things at home supporting our citizens in need.

Our priorities: First, taking care of our airmen. That always stays at the top of my list. I look at that from a variety of lenses, whether it is preventing sexual assault, diversity. Those kinds of programs are important.

I do want to tell you that I am a bit concerned about the future with regard to MILPERS. That is an important funding stream, one element of our funding that we need to sustain in order to be able to get to the schools that they have to have and the follow-on courses for future education and training that make sure that they are good partners with the Air Force and the joint community.

Another priority: We need to maintain a strong operational Reserve from perspective—not just the deployments I was talking about, but a concern of mine is being able to participate in the big exercises that we do as a part of our Air Force. These exercises are what makes our Air Force different from any other Air Force in the world, and I have to have funding in order to support those exercises in the future.

Third priority: Modernization and recap of our legacy force. We operate a lot of old airplanes. I will give you one short vignette, sir, if you will bear with me.

In January, the Secretary of the Air Force and I were invited down to Antarctica by the National Science Foundation to see what happens with our operations there. The New York Guard flies LC-130s. These are the Ski Birds, the only ones in the Nation that we have. We fly the Ski Birds down to McMurdo Station in Antarctica and further, all the way to the South Pole.

The airplane that we flew the Secretary of the Air Force on from McMurdo Station to the South Pole was a 1972 model LC-130, originally purchased by the U.S. Navy, flown by the Navy, put into the boneyard into retirement, pulled back out into our inventory to fly, and, yet, we have enough confidence in the airmen and the weapons system sustainment the Air Force provides in order to fly that airplane in a most—fairly austere environment. I would invite you to come down and see that operation sometime.

Mr. FRELINGHUYSEN. I have been on it.

General CLARKE. Yes, sir.

Mr. FRELINGHUYSEN. We provided the—you know, the skis for the planes through our committee and, also, the crevasse finder.

General CLARKE. Yes, sir. Yes, sir.

Mr. FRELINGHUYSEN. It is that mountain division out of Fort Drum or something.

General CLARKE. And the crevasse is just one part of that austere environment I am talking about. So, since you have been there, you have seen it. But we have enough—the point being, with a 43-year-old airplane, at some point, that airplane is going to need to be recapitalized. We can continue to modernize. At some point, it has got to be recapitalized.

And the last thing is I would say, beyond the NGREA part that you just talked about, we support and really appreciate your support on the NGREA funding that we received. A unit last year, for

the last half of 2014, did 6 months of combat duty over Afghanistan modified with two important programs by NGREA funding.

It changed the airplane from being a fair precision munition delivery capability to an outstanding delivery capability. It provided the center display units inside the cockpit so you could see the enhanced images, and it provided the helmet targeting capabilities that we did not have previously.

So this NGREA money is very well spent. It makes a big difference for combatant commanders. It makes our airplanes safe, reliable, and compatible with combatant commander requirements and possibly with air space management and other concerns we have in the future. Again, we appreciate your support on that.

Thank you.

Mr. FRELINGHUYSEN. Thank you, General Clarke.

[The written statement of General Clarke follows:]

**PRESENTATION
TO
APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE
UNITED STATES HOUSE OF REPRESENTATIVES**

BY

**LIEUTENANT GENERAL STANLEY E. CLARKE III
DIRECTOR, AIR NATIONAL GUARD**

17 March 2015

NOT FOR PUBLIC DISSEMINATION
UNTIL RELEASED BY
HOUSE APPROPRIATIONS COMMITTEE

During a period of continued fiscal uncertainty, this past year demonstrated the Air National Guard's value to the nation. The men and women of the Air National Guard overcame the pressures of starting the fiscal year under the cloud of civilian furloughs and government shutdowns while continuing to meet the demands of Overseas Contingency Operations. Continuing a process that began in FY13, several units have transitioned into new mission areas such as cyber and remotely piloted aircraft while many others will undergo conversions over the next couple of years. We must prepare our force to meet the challenges of a complex and new world. Our Air Force needs a strong and ready Air National Guard.

This presentation provides an overview of the past year, focusing primarily on the Air National Guard's contribution to the national defense strategy, followed by a look into the future, including areas where we solicit your continued support.

The National Guard, including the Air National Guard, is unique in its contribution to the three pillars of the defense strategy – *Protect the Homeland*, *Project Power and Win Decisively*, and *Build Security Globally*. The inherent characteristics of the National Guard are foundational for its responsibilities to local, state, territorial, and federal authorities. Its cost-effective citizen Airmen and Soldier construct, underpin the unique qualities the National Guard brings to the table with its Balanced Strategy – *A Proven Choice for the Warfight*, *A First Choice for Homeland Operations*, and *An Enduring Choice for Security Cooperation and Building Partnerships*.

The Air National Guard – Always on Mission

A Proven Choice for the Warfight

National Guard Airmen have participated in every American conflict since the Mexican border emergency of 1916, but when the Guard members of the Nevada Air National Guard's 152nd Tactical Reconnaissance Group deployed to Shaikh Isa Ba in August 1990 to support Operation DESERT SHIELD, little did they know they were on the vanguard of redefining the Air National Guard and its contribution to 24 years of continuous combat operations. Since then, the Air

National Guard has evolved from a strategic reserve, called upon primarily during national emergencies, to an essential partner in the Total Air Force. Today's Air National Guard, in addition to providing a reserve surge capacity, contributes daily to the US Air Force commitment to *Global Vigilance*, *Global Reach*, and *Global Power* in all five core missions: *Air & Space Superiority*; *Intelligence, Surveillance, & Reconnaissance*; *Rapid Global Mobility*; *Global Strike*, and *Command & Control*.

Last year Air National Guard men and women filled nearly 11,000 Combatant Commander requests for support. Additionally, Guard Airmen defended the skies over our homeland and supported their deployed brethren through U.S.-based "reach-back" capabilities including remotely piloted aircraft operations and intelligence analysis. Air Guard contribution to Overseas Contingency Operations peaked in March 2003 at 24,301, and the men and women of your Air National Guard continue to respond to the country's security requirements. There were 5,413 Guard Airmen on mobilization orders in December 2014, 65% as volunteers.

Throughout our history, Guard Airmen have volunteered for routine or non-emergency missions augmenting the Regular Air Force in performing daily operational missions. In 2011, Congress enacted a new mobilization authority, 10USC12304b, authorizing the Secretary of Defense to mobilize reserve forces for other than war or national emergency. This new mobilization authority provides "predictability" to our Guard Airmen, their families, and employers. It also "guarantees" the Reserve Components will be there – where ever "there" may be – when needed. Guard Airmen left on their first 10USC12304b non-contingency deployment in January 2015. They will be augmenting the US Air Force by providing forward presence and assurance to the nation's security partners.

The men and women of your Air National Guard recognize the "New Normal." They understand that being in the Guard is no longer just training for the next big war. It means defending American interests both at home and

overseas, 365 days a year. It means regularly leaving home, family, and civilian jobs behind for the frontlines of America's defenses.

A First Choice for Homeland Operations

When not helping to provide "forward defense," Air Guard members are manning the last line of defense here at home; what we call "Domestic Operations." I put Air Guard Domestic Operations into three (3) broad categories:

- First, the things we do every day to defend the homeland;
- Second, protection of life and property; and
- Third, preparing for the unthinkable.

As is well publicized, the Air National Guard is the primary US force provider to NORAD for the defense of US airspace. Air Guard units man 15 of the 16 fighter alert sites around the continental US and Hawaii, as well as command and control facilities, and many aerial refueling alert sites. Today there are about 950 Guard Airmen supporting Aerospace Control Alert (ACA) operations.

In addition to the ACA mission, the Guard Airmen support law enforcement agencies in Counter Drug Operations and Southwest Border Protection Operations -- Primarily with Intelligence, Surveillance and Reconnaissance and logistics support. The numbers vary daily, but there are about 300 Guard Airmen supporting the U.S. Drug Enforcement Agency and another 10 to 20 assisting the U.S. Customs and Border Protection Service along the southwest border.

Air National Guard Domestic Operations includes protecting life and property. When a governor or the President "calls out the Guard" it is not just the Army Guard. At the end of 2014, there were 88 Guard Airmen in State Active Duty status helping with winter storm recovery in New York and Massachusetts, including civil engineers, security forces, civil response liaison personnel, and command & control. There are 27 ANG members on Hawaiian State Active Duty supporting the Puna Lava Flow response.

Specially equipped C-130 units frequently augment the U.S. Forest Service and local responders in fighting forest fires. Last year, ANG Modular

Aerial Fire Fighting units dropped approximately 246,000 gallons of fire retardant on US wildfires. Last summer, an MQ-1 Predator from the California Air National Guard demonstrated the dual-use flexibility of the Air Guard by providing enhanced situational awareness to fire fighters battling the Rim Fire.

Air National Guard Search and Rescue units in Alaska, California, and New York provide around-the-clock coverage for domestic joint military operations. They augment U.S. Coast Guard and other search and rescue operations. They were credited with over 3,000 “saves” last year, including the dramatic rescue of a sick 1-year-old girl and her family from their disabled sailboat off the Mexican coast last March.

The third category of Domestic Operations is preparing for the unthinkable. More than 70% of Defense Department’s chemical, biological, radiological, nuclear (CBRN) response capability resides in the National Guard. The Guard provides Joint Army and Air teams that respond to potential CBRN incidents to determine the agent and assess the hazard, conduct search and rescue operations, decontaminate personnel and equipment, and provide emergency medical support. For example, in January and February 2014, 274 Guard Airmen of the 130 Airlift Wing, West Virginia Air National Guard, assisted with water distribution and health & wellness checks following the chemical contamination of Elk River.

At the core of the National Guard’s Domestic Operations capabilities are relationships – long and enduring relationships. When a disaster strikes is not the time to be introducing yourself to the local police and fire chiefs, or the State disaster response coordinator, the Regional FEMA Director, or their local Red Cross coordinator. Because a core strength of the National Guard is its assignment stability, it is likely that local Guard leadership not only knows the local civic leaders and first responders, but went to school with them, and have participated in numerous local disaster response exercises together.

What makes the National Guard uniquely effective in providing support to civil authorities is its 378-year history of volunteering to protect and defend their

communities – defending their local communities is in the Guards' DNA -- and so is relationship building within these communities.

An Enduring Choice for Security Cooperation and Building Partnerships

The men and women of our Air National Guard also contribute to the third pillar of the national defense strategy – Building Security Globally. Over the past twenty years, the National Guard has evolved into an in-demand, low cost, high impact security cooperation partner of choice for the Department of Defense with participation in such activities as the State Partnership Program, Foreign Military Sales training, and training exercises that assist in shaping our international environment and build partner capacity. Furthermore, the National Guard extends security cooperation at home via partnerships with both Department of Defense (DoD) and non-DoD organizations and agencies such as the Federal Aviation Agency, U.S. Customs & Border Protection, Immigration and Customs Enforcement, and state and local first responders.

Air Guard units in Missouri, Rhode Island, Arizona, and Mississippi invested over 2-1/4 million man-days training foreign air force personnel to fly and maintain C-130s, F-16s, and C-17s, and teaching Advanced Airlift Tactics to C-160 crews. Guard Airmen traveled to 21 countries last year conducting military training and assisting our defense partners in other ways. For example, Utah and Arizona Air Guard members conducted in-country Helmet Mounted Cueing System training with the Moroccan Air Force, Guard KC-135 units provided air refueling support for NATO AWACS training, and Wyoming C-130 crews support Italian Army parachute training – to name just a few.

Guard Airmen are integral to the National Guard State Partnership Program. The State Partnership Program is an innovative, low-cost, small footprint DoD security cooperation program administered by the National Guard. The program pairs state National Guard units with the armed forces of partner countries in a cooperative, mutually beneficial relationship. While managed by the National Guard Bureau, Partnership Program activities must meet DoD,

COCOM, and State Department objectives for the partner countries. These activities are as varied as the partner countries.

Members of the Vermont Air National Guard, Explosive Ordnance Disposal (EOD) unit, trained the Senegalese military in landmine detection and removal – a particularly pertinent problem in Senegal. Guard Airmen then taught the Senegal Ministry of Defense how to setup and run their own landmine detection and removal training program.

Air Guard members have helped partner countries setup non-commissioned officer (NCO) academies, improve their airport security and airbase operations, evaluate their cyber defenses, and improve their medical services and emergency medical team capabilities. Last July, West Virginia Guard members spent six (6) days helping the Peruvian government prepare an emergency humanitarian response plan and exercise – a core competency of the National Guard.

There are two critical components to the State Partnership Program. The first is oversight – cooperative involvement of the partner states, the Department of Defense, the Department of State, the regional COCOMs, and State National Guard leadership. These events are well planned and well-coordinated to meet the objectives of the numerous constituencies involved.

Second, the foundation of the program is enduring relationships. In the same way that the National Guard uses its stable personnel policies to build relationships within its local communities, the Guard builds enduring relationships, military-to-military and military-to-civilian relationships with its State Partnership Program partners. To quote General Rodriguez, US AFRICOM Commander, “We have eight states that are in the State Partnership Program. They perform a great role in building relationships as well as building capacity of our partners.”

Sustaining the Air National Guard

The men and women of our Air National Guard have accomplished great things since 1990 and Operation DESERT SHIELD. Their transformation from a

Cold War era strategic reserve to a 21st century force capable of maintaining a long-term rotational combat operations tempo has been unprecedented and would not have been possible without the support of the Air Force and Congress. We must ensure this capability is not lost; we must not condemn the next generation of Airmen to relearn the lessons of past post-war drawdowns. We must sustain the Air National Guard capabilities within the National Guard's Balanced Strategy through the dedicated efforts of each Guard Airmen in concert with the U.S. Air Force, the Department of Defense, and Congress. I have three priorities for sustaining the gains we have made and for ensuring the Air National Guard continues to meet the needs of the nation:

- Supporting our Guard Airmen, their families, and their employers;
- Seamless integration within the Total Air Force; and
- Preparing for and bridging the gap to recapitalization.

Personnel

The FY2016 President's Budget includes an increase in Air Guard end-strength from 105,000 to 105,500 or in budget terms, from \$3,118,700 to \$3,222,500. The increase will help with the beddown and standardization of new, priority missions including cyber, intelligence, and remotely piloted aircraft (RPA).

Our Airmen are our most valuable and treasured assets upon which our success depends. Our Airmen, together with their families and employers, remain our first priority, especially in these times of uncertainty and change.

Sexual Assault Prevention and Response Program (SAPR). Every sexual assault incident taints our Core Values and destroys unit morale – it must be eliminated. The Air National Guard's SAPR Program is composed of five parts: prevention, advocacy, investigation, accountability, and assessment.

- Prevention. Acknowledging the problem and educating everyone in the organization of the problem is the first step. In January 2010, the Air Force launched an extensive education program to ensure every Airman

understands the problem and knows what is expected of him or her as Air National Guard professionals.

- **Advocacy.** In January 2013, the Air National Guard implemented a Special Victim's Counsel Program. This Program provides advice to victims on the investigative and military justice processes, victims' rights protections, and empowers victims by removing barriers to their full participation in the military justice process.
- **Investigation.** The National Guard has opened an Office of Complex Investigations composed of Guard members with previous criminal investigation training and special sexual assault investigation training, to step-in when local law enforcement agencies decline to investigate. In addition, the Air Force Office of Special Investigation (AFOSI) is charged with investigating all sexual assaults that occur in a federal or Title 10 status regardless of the severity of the allegations. For incidents that occur in non-federalized duty status, Air Guard commanders must report the assault to the local law enforcement agency.
- **Accountability.** Last July, the Air Force established minimum administrative discharge procedures for any Airman (officer or enlisted) who commits or attempts to commit a sexual assault or engages in an unprofessional relationship while serving in positions of special trust, e.g., recruiters, commanders, or training officers and non-commissioned officers..
- **Assessment.** The Department of Defense has established common metrics and reporting procedures to collect and track statistics on sexual assault. These tools will provide the feedback necessary for early identification of adverse trends and areas for additional action.

Suicide Prevention. The Air National Guard continues to struggle with the tragedy of suicide within its ranks. In 2014, the Air Guard experienced 14 suicides for a rate of 13.3 per 100,000, down from a high of 17.6 per 100,000 in 2010, but still well above our ultimate goal of zero. There is tangible evidence that the addition of Wing Directors of Psychological Health in 2010 and

implementation of the Air Force Suicide Prevention Program have had positive impacts; however, our team of medical personnel, chaplains, Airmen & Family Readiness Program Managers, safety personnel, Transition Assistance Advisors, and Military OneSource counselors, together with Air Guard supervisors and leaders at all levels, continue to address this important issue.

Our Directors of Psychological Health Program continues to evolve based on post-deployment experiences and current events. In 2010, to quickly implement the nation-wide program we moved out with a contractor-based program. We quickly learned that this program would not fully meet the needs of our Airmen. The contractor-based program was cumbersome, inflexible, suffered from high turnover and lacked consistency of mental health capabilities. After analyzing a number of options, we moved forward with converting from a contract-based program to civilian Federal government employees. Not only does this provide the best to our Guard Airmen, in the end, it will save approximately \$8-million annually. We expect to have the full program implemented in the next couple of months.

Facilities & Equipment

The Air National Guard has a history innovatively operating and maintaining legacy equipment dating back to the end of World War II. That history includes creative improvements that permitted seamless integration with the next generation of systems. For example, in the 1960s a Guard aeronautical engineer hung two surplus J-47 jet engines on a piston engine driven KC-97 permitting the legacy aerial refueling tanker to refuel the Air Force's modern jet fighters. The modification improved the reliability and safety of the old aircraft.

The Guard supports the Air Force's policy of replacing its older 4th generation fleet with modern 5th generation aircraft to meet the potential threat from near-peer competitors, but we know that while awaiting recapitalization, the Air Guard needs to ensure its fleet of legacy systems remain safe and interoperable. The average of the Air Guard's aircraft fleet is 25.7 years with the oldest approaching 50 years and the end of their Certified Service Life. Without

modifications these aircraft may become unsafe and unreliable before being recapitalized. The Air Guard's aircraft require avionics upgrades to comply with new air traffic control requirements and to ensure their systems remain compatible with the latest command and control architectures, and is included in the FY 2016 budget request. The seamless integration of Air Guard equipment into the Total Air Force proved its value during the last 24 years of combat operations.

Military Construction (MILCON) Projects. The Air National Guard budget proposal for FY2016 includes \$138,700,000 for military construction projects. The Air Guard gave priority to MILCON projects supporting new missions and Air Force directed mission re-alignments; in fact, nearly all the major MILCON projects in the FY2016 budget, \$78.6M, support new missions. While this policy has caused increased risk to current missions, the Air Guard is working to address functional space deficiencies by consolidating functions and recapitalizing aging infrastructure, especially those with safety deficiencies.

National Guard & Reserve Equipment Account (NGREA). The Air National Guard FY2015 NGREA funding strategy directed 70% towards modernization projects on legacy major weapon systems, 90% of which are dual-use capable, and 30% towards improving domestic response capabilities. In FY2016, the Air National Guard seeks to update the communications suite, avionics, and defensive system on our F-15s and F-16s (\$57.8M); upgrade the tactical data link, avionics and communications on the C-130Hs and KC-135s (\$25.4M); purchase aircraft support, flight line, and back-shop logistics equipment (\$32.8M); and a number of smaller items.

Conclusion

Managing a declining budget is one of the most challenging things the Department of Defense ever does. For the U.S. Air Force, it comes down to making difficult decisions between capability, capacity, readiness, and modernization. The Total Air Force decided to take increased risk in the near-

term to ensure its future warfighting capability by choosing to invest in new more capable equipment rather than upgrading its older systems. This decision, while agreed to, create challenges for the Air National Guard primarily in the area of near-term risk management, because much of the older or legacy systems are operated by the Air Guard, and we share the responsibility to ensure that the Total Air Force can meet today's defense commitments while waiting for tomorrow's capabilities.

SUMMARY STATEMENT OF GENERAL LYONS

Mr. FRELINGHUYSEN. General Lyons.

General LYONS. Chairman Frelinghuysen, Ranking Member Visclosky, distinguished members of the subcommittee, it is an honor to appear before you today.

I would like to begin by echoing the condolences, Chairman, that you expressed and General Grass expressed for the families of the four National Guardsman and the seven marines who were taken from our ranks this last week. They will never be forgotten.

I am here representing nearly 350,000 soldiers in the Army National Guard. Our force is manned, trained, and equipped to serve wherever and whenever the Nation calls. The Army Guard maintains facilities in nearly 2600 communities where we built relationships with local leaders and first responders. And it is this community presence that enables the Guard to react so quickly when civil authorities request our assistance.

The Army Guard responded to 45 major disaster declarations in 32 States and territories in 2014. Our missions never cease, and they don't end at the water's edge. Through years of war, the Army Guard has trained and deployed with the Army as a part of the joint team. Since 2001, we have mobilized soldiers more than 536,000 times. Our units have performed every assigned mission, from counterinsurgency operations to peacekeeping. This experience has transformed the Army Guard from a Cold War-era strategic reserve to a combat-seasoned operational force.

I would like to thank Congress for providing the vital resources and specifically the committee for their continuing support of NGREA that has been needed to transform the National Guard. Through your efforts, our Total Army remains the most formidable, capable land force in the world.

In an unpredictable and dangerous world, the Army Guard serves as a powerful hedge against uncertainty. The need for a ready, scaleable, and experienced force at home and abroad remains constant. Funding below the President's budget will further exacerbate readiness challenges in personnel, training, equipment, and facilities. If permitted to atrophy, the wide-ranging capabilities of the Army Guard will be difficult to restore.

The President's fiscal year 2016 budget increases funding for our operations and maintenance and personnel accounts, and this begins to restore vital programs and sustains readiness. While the President's budget presents less risk than we faced in fiscal year 2015, some readiness concerns remain, and I would just like to highlight a couple.

The budget provides for Army Guard end strength at 342,000. That is 8,200 less from our current authorized strength. This could lengthen response times for domestic emergencies, and it leaves fewer forces available for overseas missions. The Army Guard achieved the highest level of medical readiness in our history in 2014. This readiness is beginning to trend down, though, due to the risk we have already accepted in these accounts in 2015.

The budget calls for increased training funds which are essential for leader development and maintaining the Army Guard as an operational force. This funding provides for two combat training

center rotations, but limits the majority of the force to individual crew and squad-level proficiency.

Our soldiers' readiness and the well-being remains a top priority. I thank Congress for supporting our behavioral health, suicide prevention, sexual assault prevention, and other critical programs. The dedicated men and women of our Army Guard formations present tremendous value to our Nation and to the communities where we live, work, and serve. The Army Guard has proven our strength as a combat-ready operational force, a role that, with your support, we will probably continue to perform for the Army and for our Nation.

I appreciate the opportunity to be here today, and I look forward to your questions.

Mr. FRELINGHUYSEN. Thank you, General Lyons.

[The written statement of General Lyons follows:]

STATEMENT BY

**MAJOR GENERAL JUDD H. LYONS
ACTING DIRECTOR, ARMY NATIONAL GUARD**

**BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE**

**FIRST SESSION, 114TH CONGRESS
ON
NATIONAL GUARD AND RESERVE POSTURE**

17 March 2015

NOT FOR PUBLIC DISSEMINATION
UNTIL RELEASED BY
THE U.S. HOUSE OF REPRESENTATIVES APPROPRIATIONS COMMITTEE

Introduction

Chairman Frelinghuysen, Ranking Member Visclosky, and other distinguished members of the subcommittee; I am honored to testify before you and represent the Soldiers of the Army National Guard.

I would like to express my gratitude for the continued support that this committee and Congress as a whole have provided to the Army National Guard. As the active Army, Army Reserve and Army National Guard trained and deployed shoulder-to-shoulder over the past thirteen years of war in Iraq and Afghanistan, Congress consistently provided the resources for the Total Army to remain the most formidable and capable land force in the world. As a result, the Army Guard has fully transitioned from a Cold War-era strategic reserve to a combat-seasoned, full-spectrum operational force.

With regard to the Army Guard's recent contributions to our national defense, the numbers speak for themselves. Since September 11, 2001, Army Guard Soldiers have completed more than 535,000 individual mobilizations in support of federal missions, with 364,871 individual Soldiers mobilizing to Iraq and Afghanistan during that period. The Guard mobilized 25,236 Soldiers for service around the world in Fiscal Year (FY) 2014, and today we have more than 5,500 Soldiers mobilized in the United States and overseas.

At home, the Army National Guard remains the military's primary domestic responder. There were 45 major disaster declarations in 30

states and territories in 2014. In FY 2014, Army Guard Soldiers served nearly 700,000 duty days under the command of the nation's governors, assisting our fellow citizens during domestic emergencies and aiding federal authorities in other critical areas such as counterdrug efforts and security along our Southwest border. At home and abroad, the Army Guard is and will remain an indispensable force.

The President's Fiscal Year 2016 Army National Guard Budget

The combination of the budget caps included in the Budget Control Act of 2011 and the Bipartisan Budget Act of 2013 required Army Guard leadership to make hard choices in the face of a resource constrained environment. The President's FY 2016 budget increases funding levels in both Operations and Maintenance (OMNG) and National Guard Personnel, Army (NGPA) accounts compared to FY 2015. Additionally, the Army Guard end-strength is planned to be further reduced by 8,200 Soldiers to 342,000, although this decline is 5,700 less than was planned last fiscal year.

The Army Guard has and always will respond to the call. However, reduced funding in FY 2015 is making it more challenging to maintain acceptable levels of readiness. We thank Congress for providing additional appropriations for two Combat Training Center rotations in FY 2015. The FY 2016 President's Budget is a step toward improvement, but we remain concerned that readiness levels are at risk in future years.

The FY 2016 Budget provides the Army Guard a \$542M increase in Operations and Maintenance funding and a \$298M increase in Personnel (pay and allowances) funding in FY 2016. We also want to thank Congress for adding \$24M to our Funeral Burial Honors account in FY 2015. This ensured that we continue recognizing those who have served.

National Guard Military Construction (MCNG) funding for FY 2016 is requested at \$63M more than the FY 2015 enacted level. The FY 2016 Budget request funds only the most critical facility construction needs. This forces the Army Guard to delay the replacement of our aging infrastructure. To preserve existing facilities, the Army Guard relies on Facilities Sustainment, Restoration and Modernization (FSRM) funding. FSRM is increased in the President's Budget for FY 2016, which helps the Army Guard to make essential repairs. However, many of our facilities are not modernized.

Overall, the President's FY 2016 Budget provides the Army Guard with \$534M over BCA levels. Defense and Army leaders have emphatically stated that funding at BCA levels would present an unacceptable risk in readiness. The Army questions whether they will be able to support the 2012 Defense Strategic Guidance under BCA. Sequestration-level funding would degrade our ability to recover from the cuts sustained in FY 2015.

The President's FY 2016 Budget request includes manageable risks. For example, our readiness for global and domestic missions will

likely be reduced as medical and dental readiness begin to drop. Changes in force structure and end strength will incur costs to retrain Soldiers to serve in different types of units and different career fields. We refer to this as “personnel turbulence.” The extent of personnel turbulence and the associated costs are difficult to predict across the 54 States and Territories. Managing personnel turbulence within the FY 2016 Budget request will likely be challenging.

Full Time Manning is critical to the Army Guard’s ability to maintain Foundational Readiness. Foundational Readiness is our ability to perform the mandatory personnel, administrative, maintenance, and supply functions as directed by Title 10 and Title 32, United States Code and, Department of Defense policy. It is important to note that the Army Guard did not experience wartime growth in Full-Time Manning. Our Full-Time Manning has always focused on readiness, not mobilization functions or large scale collective training events.

The Army Guard faces potential changes in end strength and force structure in the near term. These changes will incur additional costs to re-train Soldiers, re-station units, move equipment, and modify existing facilities.

FY 2016 Budget Focus: Equipping

Since 2001, the Army Guard has received significant investments in equipment acquisition and modernization. Of the total quantity of Army Guard equipment authorized, 90 percent is on-hand. Fortunately,

this equipment is modernized and fully interoperable with the rest of the Army. Our Equipment on Hand (EOH) for Modified Table of Organization and Equipment units is currently at 91 percent, which is good news. Critical Dual-Use (CDU) equipment is used for domestic responses and war fighting missions. We are pleased to report that CDU equipment is 92 percent on hand.

Despite our impressive EOH levels, sustaining aging equipment coupled with reductions in funding across the board, including reductions in Operating Tempo (OPTEMPO) and Depot Maintenance, funding, will result in a gradual decay in readiness. A reduction in depot maintenance funding forces us to defer critical depot overhauls, which reduces fleet operational readiness rates for vehicles and equipment.

FY 2016 Budget Focus: Training

The FY 2016 Budget buys back some skills training, supports increased professional military education opportunities and provides additional funds for pilot training. Although the FY 2016 Budget request does not buy back the entire Initial Entry Training (IET) backlog from FY 2015, the IET funding increase in the FY 2016 request is still beneficial. The FY 2016 funding request, in conjunction with last year's congressional increase, begins to restore Duty Military Occupational Specialty Qualified (DMOSQ) rates near 85 percent. Educational requirements are prerequisites for the advancement and promotion of

deserving Army Guard officers and Soldiers. Therefore, it is essential to fully fund the training budget request.

Constrained Army Guard funding reduces opportunities for unit training. Collective training is critical for leader development and unit cohesiveness, which can quickly erode without comprehensive unit-training events. Funding for Special Training increased in the FY 2016 request, but it remains below FY 2014 obligations. This funding will support pay and allowances for two CTC rotations and enabler missions. Most units will only be able to train to Individual/Crew/Squad-level proficiency.

FY 2016 Budget Focus: Installations

As a community-based force, the Army Guard has facilities in nearly 2,600 communities, making it the most dispersed military component of any service. In many towns and cities these facilities are the only military presence, with the Guard serving as the most visible link between hometown America and the nation's Armed Services. These readiness centers, maintenance shops and training centers serve as pre-mobilization platforms during times of war and power projection platforms during civil support operations in communities.

Army Guard facilities depend upon the military construction program (MILCON), the FSRM program, and the Base Operations Support (BOS) program. Funding for these programs dropped significantly over the last several years, which lessened our ability to

replace aging infrastructure and preserve existing facilities. Our facilities do not meet current capacity requirements and they are deteriorating at a rate where most will be in “poor” condition by 2020 and in “failing” condition by 2027. The FY 2016 President’s Budget increases funding for Army Guard MILCON FSRM and BOS, which is helpful. The FY 2016 Budget funds the FSRM program at 80 percent of the DoD Facility Sustainment Model and it funds the BOS program at an amount consistent with the past three years of average BOS obligations.

FY 2016 Budget Focus: Sexual Harassment/Assault Response and Prevention

Sexual assault is a crime. Reduction of sexual assault in our ranks is a top priority of senior leaders across the Army Guard. As of February 2015, the Army Guard assigned 97 full time Sexual Assault Response Coordinators and Victim Advocates Coordinators. In addition to full-time support personnel, the Army Guard has trained more than 3,000 collateral duty Sexual Assault Response Coordinators and Victim Advocates at the brigade and battalion level. Further, the Office of Complex Investigations continues to provide Adjutants General specialized federal investigatory resources for cases involving sexual assault. The FY 2016 Budget sustains support for the Sexual Harassment / Assault Response Program (SHARP).

FY 2016 Budget Focus: Suicide Prevention

The Army Guard lost 76 Soldiers to suicide in calendar year 2014. This represents a one-third reduction from 2013. While no one factor can be pinpointed as the cause of this decrease, the Army Guard has implemented many efforts to improve the health of its force, including hiring additional support personnel, coordinating closely with the community, and conducting relevant training. The Army Guard will continue to layer efforts to provide care to its Soldiers, Civilians, and Families at every level.

Although our unit leaders may only see the majority of their Soldiers during a single drill weekend each month, they are overcoming the challenges of leading geographically dispersed part-time Soldiers. By reducing the stigma associated with asking for help, leaders are making a difference. The number of reported suicide interventions increased by 27 percent from 2013 to 2014. Though a challenging goal, we strive to prevent all suicides. Every Soldier is a treasured asset to the Army Guard.

In 2014, the Army Guard executed a national contract to provide a Suicide Prevention Program Manager in every state. The Army Guard increased the number of personnel trained to intervene in a suicidal situation by 116 percent in FY 2014. In FY 2015 The Army Guard will provide training to 259 Applied Suicide Intervention Skills Training program trainers, who will in turn train approximately 9,600 additional gatekeepers. Additionally, Army Guard behavioral health counselors

provided informal behavioral health consultations to more than 37,000 Soldiers and family members. The Army Guard will continue to make suicide prevention and behavioral health a top priority. The FY 2016 Budget sustains support for the suicide prevention program.

FY 2016 Budget Focus: Recruitment and Retention

Fiscal Year 2015 has been one of the most challenging years in recent memory for Army Guard recruiting and retention. In the first quarter the Army Guard achieved 88.6 percent of the enlisted recruiting mission, recruiting 9,995 of 11,278 required Soldiers. From FY 2014 to FY 2015, the Army Guard recruiting budget dropped by nearly \$20M. Continued recruiting performance at this level has the potential to put the Army Guard between 5,000 and 6,000 below FY 2015 authorized end strength. The FY 2016 Budget restores \$4.2M for recruiting and retention.

FY 2016 Budget Focus: Medical Readiness

Thanks to dedicated attention to this issue by Congress and Guard leaders at every level, the Army Guard's medical readiness dramatically improved from a fully medically ready percentage of 22 percent in FY 2007 to 86 percent in 2014.

However, given the resource constraints the organization continues to experience we expect that medical readiness will decline. It does not take long for medical readiness to drop dramatically. After medical readiness drops, the Army Guard will have to invest more funding and

time to regain it. The Army Guard can only send medically qualified Soldiers to training and on missions. Therefore, a deficit in medical readiness equates to a deficit in overall Army Guard capability.

Closing Remarks

After more than a dozen years as an operational force, the Army Guard is at a pivotal moment in its history. The FY 2015 Budget is forcing the Army Guard to function at funding levels lower than FY 2014. Today's force has experienced a substantial increase in personnel turbulence, reductions in facilities readiness, and reduced training opportunities, among other effects. The President's FY 2016 Budget begins to put the Army Guard back on the path toward higher readiness.

Should the Army National Guard return to sequestration-level funding, the resource reductions will have an immediate, severe impact on Army National Guard readiness and our ability to respond at home and abroad. This would also result in additional reductions to end strength.

We will work with our Department leaders and Congress to find creative solutions to our formidable fiscal and national defense challenges. I thank you for your continued support for the Army National Guard and I look forward to your questions.

Mr. FRELINGHUYSEN. General Talley, good morning again.

General TALLEY. Good morning.

Chairman Frelinghuysen, Ranking Member Visclosky, distinguished members of the committee, this is my third time before the committee, and I want to start by thanking you.

Last year I testified that we needed help on getting our HMMWV ambulances, and you guys came through. I recently got \$48.4 million of a \$60-million Congressional markup, which will bring us up to 100 percent equipment on hand for ambulances. That is this subcommittee's work. I want to thank you up front for that.

It is certainly an honor for me to represent soldiers, civilians, and family members of the Army Reserve. And on their behalf, I want to thank the committee for everything that you are doing today and you will do in the future to continue to support us.

Also, with my background, I want to wish everyone a happy St. Patrick's Day, and may the luck of the Irish be with me today.

Mr. Chairman, the decision to place the majority of the Army's combat support and combat service support capabilities in the Army's Reserve committed the Nation years ago to maintaining the Army Reserve as an operational force. It did not, however, anticipate the increased requirements that that structural shift would generate for the Army Reserve in terms of resourcing.

The Army, as a service, integrates and synchronizes all services when sustained unified land operations are required, but they can only do so with the support of the Army Reserve. The Army Reserve has most of the Army's critical, technical enablers, such as logisticians, transporters, medical, full-spectrum engineering, civil affairs, legal, and chemical capabilities.

As a Federal force under Federal control and the only component of our Army that is a single global command, we are already embedded in every Army service component command and combatant command worldwide. This allows us to respond to any mission at home or abroad and, in many cases, with little notice.

Currently, the annual demand signal from the Army in order for us to meet combat or contingent missions is 27,000 soldiers each year. In many cases, these troops and their units may be required to immediately deploy overseas. So they must be maintained at a higher level of readiness. Although we have historically received additional resourcing, the standard model of 39 base-funded training days per year produces only a strategic force. This is insufficient to train, equip, and maintain the Army Reserve as an operational force.

In the past, readiness beyond the strategic level was purchased with overseas contingency dollars. That flexibility, as you know, no longer exists. And base budgets must reflect funding consistent with mission requirements. Readiness must be balanced with modernization and strength, which, again, require resourcing. If we lose that balance, our ability to support the Army and fulfill the Nation's global security requirements are at risk. We face that dilemma today.

Sequestration and budget uncertainties have created a requirements resource mismatch and they threaten our ability to support our great Army and the Nation. Readiness is bought by robbing

one unit, Peter, to fix or pay for another unit, Paul. This can't be a sustainable business model.

While my posture statement discusses all of these concerns in greater detail, I want to highlight quickly three areas that are essential to generate readiness. The first is annual training and operational tempo accounts. Cuts to these accounts limit our ability to conduct individual, leader, and unit training. For example, reductions in school funding leave the Army Reserve unable this year to pay for 8,000 training and 15,000 educational seats, negatively impacting our morale, endangering promotions and pressure and retention and increasing attrition.

The second area of concern is equipping and modernization. Today, the Army Reserve comprises 20 percent of our Total Army. Yet, our share of the Army's equipping budget is less than 3 percent. To illustrate this point, the Army Reserve provides 92 percent of the Total Army bulk petroleum assets. Unfortunately, much of this capacity has not been modernized, reducing our interoperability within the force. Unchecked, the Total Army and the joint force literally could run out of gas.

The third and final area of concern are the reductions in full-time manning. These great AGRs, MILTECHs, and Department of Army civilians execute the foundational requirements that range from paying our soldiers to facilitating training. Currently, the Army Reserve is filled only to 76 percent of our authorized requirements. That jeopardizes our ability to execute missions.

Mr. Chairman, in closing, the Army Reserve is uniquely postured to support the Nation, but we can only maintain that capability when properly resourced. In order to sustain our current readiness levels, we need the committee's continued support with funding for full-time manning, individual collective and unit training, and equipment, including NGREA.

Thank you again for the opportunity to appear before the committee today and for the outstanding support that Congress has always provided the soldiers, civilians, and families of the Army Reserve. With your help, we can stay twice a citizen and Army strong. I look forward to your questions.

Mr. FRELINGHUYSEN. Thank you, General.

[The written statement of General Talley follows:]

The United States Army Reserve 2015 Posture Statement

AMERICA'S ARMY RESERVE: A LIFE-SAVING, LIFE-SUSTAINING CITIZEN- SOLDIER FORCE FOR THE NATION

Submitted by

LIEUTENANT GENERAL JEFFREY W. TALLEY

Chief of the Army Reserve

CHIEF WARRANT OFFICER 5 PHYLLIS WILSON

Command Chief Warrant Officer of the Army Reserve

COMMAND SERGEANT MAJOR LUTHER THOMAS JR.

Command Sergeant Major of the Army Reserve

The Army Reserve Posture Statement, submitted to Congress each fiscal year, is an unclassified summary of Army Reserve roles, current commitments and accomplishments, challenges and compelling needs. The 2015 Army Reserve Posture Statement also informs Congress of the resources, necessary supplemental funding, and legislative authorities required by the Army Reserve.

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Executive Summary

The United States Army Reserve is the Army's flexible, tailorable, and accessible Warrior-Citizen federal force that provides life-saving and life-sustaining capabilities to the Nation. For more than 14 consecutive years of war, community-based Army Reserve Soldiers have brought skills honed in the civilian sector to contingency and Theater Security Cooperation missions across the globe. Today, as captured in *Army Reserve at a Glance* (<http://www.usar.army.mil/ourstory>), these same Citizen-Soldiers bring enhanced skills and significant economic impact to the regions, states, districts, and communities where they live and work.¹ A communication outreach and resource tool, *Army Reserve at a Glance* informs internal and external audiences of the Army Reserve's history, current roles, missions, programs, and the unique capabilities inherently available in today's Army Reserve.

Organized as the only component of the Army that is also a single command, the Army Reserve is integrated into and directly supports every Army Service Component Command (ASCC) and Combatant Command (CCMD), with a "footprint" that includes 50 states, five territories, the District of Columbia, and more than 30 countries. Our "*Plan, Prepare, Provide*" readiness and force generation model allows us to stay an operational and accessible force. The *Plan* portion of the model includes the regional alignment of Army Reserve Units to ASCCs and CCMDs. Part of this alignment includes the forward-stationing of full-time staffing organized into Army Reserve Engagement Cells (ARECs) and Teams (ARETs). *Prepare* is how the Army Reserve trains its Soldiers, Leaders and Units as part of the Total Force. *Provide* is the actual deployment of dual-use Army Reserve Soldiers, Leaders and Units in support of requirements at home (Defense Support of Civil Authorities) and abroad.

The Army Reserve represents most of the Army's critical military enabling capabilities (medical, logistical, transportation, full-spectrum engineering, civil affairs, legal, and chemical). Our Citizen-Soldiers stay sharp in these technical fields through the conduct of tough, realistic, mission-focused training and their employment in the private sector. The Army Reserve enhances these skills through its Private Public Partnership (P3) program. P3 fosters partnerships with for-profit, not-for-profit, and academic organizations to advance the training of Individuals, Leaders, and Units. In sum, everything we do is focused on improving and sustaining readiness.

The 2015 Army Reserve Posture Statement outlines Army Reserve roles, commitments, accomplishments, challenges, and requirements to Congress. It also informs Congress of the resources and legislative authorities the Army Reserve needs to remain an operational reserve.

Our specific concerns, as they appear in the document, include:

- Maintaining the Army Reserve as an operational force;
- Continuing to implement Army Total Force Policy;
- Finding additional fiscal efficiencies;
- Reducing or eliminating the negative effects imposed by sequestration levels in the Budget Control Act;

- Ensuring Army Reserve end-strength drops no lower than 195,000 Soldiers in 2017;
- Preserve Army Reserve Active Guard and Reserve end-strength;
- Improving Army Reserve readiness;
- Preparing for future challenges (Force 2025 & Beyond, Army Reserve 2025 Vision and Strategy);
- Ensuring equal representation from all three components on the Army Commission;
- Fully funding the Army Reserve to maintain its operational edge;
- Receiving support for training man-days and Operational Tempo (OPTEMPO) budget request;;
- Supporting equipment modernization funding requests for unique enabling capabilities resident in the Army Reserve;
- Supporting the Army Reserve's base procurement budget and sustainment, restoration, modernization (SRM) and base operations (BASOPS) funding;
- Maintaining the Army Reserve Network;
- Support funding request for antiterrorism and physical security efforts;
- Fully implementing the Army Reserve Readiness model;
- Expanding the Private, Public, Partnership program;
- Maximizing the "Soldier for Life" program and the "Continuum of Service" efforts;
- Capitalizing on the redesigned Transition Assistance Program (TAP) to seamlessly and successfully transition Army Reserve Soldiers to civilian life;
- Fully funding medical and dental readiness, suicide prevention, sexual harassment assault and response prevention, and family programs;
- Fully staffing all Army Reserve Engagement Cells and Teams;
- Continually improving Family programs, suicide prevention efforts, and sexual assault prevention programs;
- Strengthening the Army Reserve Ambassador (ARA) program;
- Expanding our Cyber capabilities;
- Focusing on our two critical roles – the operational federal reserve of the Army and a domestic emergency and disaster relief force for the Nation;
- Refining and improving our Defense Support of Civil Authorities and Immediate Response Authority processes and procedures;
- Developing new ways to capitalize on our highly educated force;
- Increasing resiliency within the force;
- Supporting the Army's effort to enable the Joint Force to "*Win in a Complex World*";
- Remaining the life-saving, life-sustaining Citizen-Soldier force for the Nation.

We thank you for this opportunity to testify before Congress. With the continued support of the President, Congress, the Army, and the American people, I am confident the Army Reserve will continue to do its part to help protect and defend the Nation at home and abroad, now and for the foreseeable future.

Introduction

Consistent Engagement

Consistently engaged since September 11, 2001, more than 280,000 Army Reserve Soldiers have mobilized and seamlessly integrated into the Total Army and the Joint Force.² A steady need for essential enabling capabilities and civilian skills the Army Reserve provides have resulted in an operational Army Reserve that is fundamental to the continued success of the Total Army and the Joint Force. Today, approximately 16,058 Soldiers serve in direct support of Army Service Component Commands (ASCC) and Combatant Commands (CCMD) across the globe, including nearly 2,600 Soldiers in Afghanistan, 3,000 in the United States, 2,200 in Kuwait, 1,100 in Cuba, 150 in Qatar, and 200 in Djibouti.³

Purposeful Design

Purposefully designed to enable forces, the Army Reserve integrated seamlessly into the Total Force, providing trained, ready, and equipped Soldiers as well as cohesive Units to meet the Nation's requirements at home and abroad.⁴ In doing so, the Army Reserve fulfilled General Creighton Abrams' vision of a Total Army fighting as one operational force alongside our Joint and international partners with predictable and sustainable capabilities.⁵

Proven, Cost-Effective Partner

Today, the Army Reserve is a combat-tested and integral element of the most decisive and lethal land force in the world today. Whether performing combat missions and contingency operations, or saving lives and protecting property at home, our expeditionary formations continue to offer versatile, available, and effective capabilities to the Nation at reduced cost to the American taxpayer – a win for the Army and the Nation.

Fiscal Constraints

Tight fiscal constraints imposed by sequestration levels in the Budget Control Act would make it difficult, if not impossible, for the Army Reserve to remain ready, responsive, and flexible enough to meet all of its requirements in support of the Nation's security needs.

End-Strength Reductions

The 2015 National Defense Authorization Act (NDAA) sets the Army Reserve end-strength objective (ESO) at 202,000 – a reduction of 3,000 Soldiers from its previous end-strength objective of 205,000.⁶ The current Army Reserve end-strength is now 197,830 – a shortage of 4,170 Soldiers.⁷ The Army Reserve initiated Operation FULL COURT PRESS on July 11, 2014 to address this problem. Specifically, this initiative aims to increase accessions, reduce controllable Soldier losses (i.e., attrition), implement procedures to proactively expedite resolution of suspension of favorable actions, increase promotion to Sergeant and Staff Sergeant (historically critical rank shortages in the Army Reserve), and improve Soldier sponsorship and Soldier care. While still in its infancy, this effort has already borne fruit in non-prior service enlisted accessions and active component to reserve component enlisted and officer accessions.⁸ The Army Reserve continues to seek innovative solutions to meet our current ESO.

In the meantime, the Army Reserve concurs with the Army's positions on strategy, end-strength, and risk. For example, the Army asserts that the "underlying assumptions of our defense strategy" are being tested, and at projected force levels (Total Army end strength of 980,000 Soldiers by FY 2017), "we are already on the edge of our ability to meet the current strategy and our capacity to respond to the unknown is now in question."⁹ ESO reductions below those set forth in the President's Budget will decrease operational flexibility and increase risk to unacceptable levels.¹⁰

Only time will validate or invalidate the Army's assumptions. In the meantime, it is safe to say that the world we face today has become increasingly volatile and dangerously unpredictable. Even as the U.S. winds down its presence in Afghanistan, the Army finds itself returning to Iraq and the broader Middle East to confront emerging challenges. The Islamic State of Iraq and the Levant threatens the security and stability of Iraq, Syria, and the entire Middle East. Continued regional instability, violent extremism, the proliferation of weapons of mass destruction, and other factors foreshadow a complex global security environment.

Given increasing global instability, we strongly agree with the Army's recommendation to not let Army Reserve ESO drop lower than 195,000 Soldiers. If sequestration-level funding is implemented in FY 2016, the Army Reserve ESO will drop to 195,000 Soldiers by FY 2017 before bottoming out at 185,000 Soldiers in FY 2019.¹¹ Reducing the Army Reserve below 195,000 Soldiers increases risk and threatens our ability to meet our mission – to provide trained, equipped, and ready Soldiers and cohesive units to meet the Nation's requirements, at home and abroad.

Maintaining Army Reserve end-strength at 195,000 Soldiers is crucial for a number of additional reasons. First, as the Army reduces in size, the need for Army Reserve enabling capabilities to support contingency operations will increase. An increased demand for Army Reserve capabilities will challenge our ability to sustain an operational reserve by putting greater strain on existing rotational forces. Second, reductions in uniformed personnel in the Army Reserve degrade our ability to meet the requirements of ASCCs and CCMDs for technical enabling capabilities at a time when the demand for Army Reserve enabling capabilities is increasing. The Army Reserve was initially tasked with providing 14 units consisting of approximately 900 Soldiers to support the first rotation of Operation UNITED ASSISTANCE – the Ebola relief mission in Western Africa.¹² While only two Army Reserve Units and several individual Army Reserve Soldiers (a total of 19 Soldiers) mobilized for OUA, un-forecast requirements like this one exemplify this point. Third, while by no means the solution to resolving critical shortages in the Army Reserve ranks (Sergeant to Sergeant First Class, Captains, and Majors) Army Reserve end-strength reductions eliminate some of the Army Reserve's capacity to absorb Soldiers separated from the active component into its ranks – a loss for all concerned.¹³ Allowing an ESO of 185,000 Soldiers to take effect only exacerbates each of these concerns.

In addition to these uniformed end-strength reductions, the Army Reserve must take similar reductions to its Full Time Support (FTS) that consists of our Military Technicians (MILTECHs) and Department of the Army Civilians (DACs) (approximately 11 percent).¹⁴ From FY 2015 to

FY 2016, our civilian FTS personnel will reduce from 11,590 to 10,761 across the board. MILTECHs and DACs play vital roles in the Army Reserve. MILTECHs perform multiple, critically important administrative, training, and logistical functions in Army Reserve units that directly impact readiness.¹⁵ DACs are an "integral part of [the] United States Army and support all facets of the Army mission which frees Soldiers to perform innately military functions."¹⁶ DACs also "possess critical skills which assure continuity of operations for all components."¹⁷

Readiness

Maintaining readiness in the Army Reserve is a unique challenge. The number of Army Reserve Soldiers considered non-deployable is one factor negatively impacting readiness. In FY 2014, the USAR had 44,507 Soldiers considered non-available for reasons outlined in Army Regulation 220-1, Unit Status Reporting (e.g., initial entry training, medical issues, medical non-availability, pending administrative or legal discharge, separation, officer transition, non-participation, or restrictions on the use or possession of weapons and ammunition under the Lautenberg Amendment).¹⁸ 10,575 of these non-available Soldiers were Unsatisfactory Participants (UNSATs).¹⁹ UNSATs, for a variety of reasons, are Soldiers that are not actively participating in Army Reserve Units or activities, as required. To continue providing responsive support to the Army and the Joint Force, the Army Reserve must focus all of its efforts on decreasing the number of non-available Soldiers in its formations.²⁰ We are doing this in a variety of ways.

For example, the Army Reserve is working hard to recover Unsatisfactory Participants and maintain an UNSAT rate of less than five percent (~10,100 Soldiers based on the FY 2015 NDAA AR ESO of 202,000). To do so, the Army Reserve Personnel Department (G1) developed a system to track UNSATs and update the Deputy Commanding General monthly on the progress of the recovery effort. The tracking system allows Army Reserve senior leaders to monitor major subordinate commands (MSCs) progress and MSC Commanders to gauge their subordinate Commanders progress as well. Additionally, the Army Reserve mandated that all requests for duty in the Individual Ready Reserve (IRR) and involuntary reassignment by a soldier not satisfactorily participating in the Army Reserve must now include a memorandum from an O-5 or above documenting all attempts made to recover the Soldier. The request will not be processed without this additional memorandum. This action ensures the unit has done everything possible to recover the Soldier before they are discharged or transferred to the IRR. While these efforts to improve readiness can be made with no additional resources or additional legislative authorities, improvements to Soldier health, operational activities, and equipment acquisition and modernization do carry a cost. The Army Reserve must be appropriately funded and fully authorized to maintain its operational edge or it could revert to a strategic force.

Maintaining End-strength and Readiness

Maintaining end-strength and readiness are not simple tasks. They are, in fact, extremely complex problems, with many factors at many levels affecting both equations. While the Army Reserve acknowledges its responsibility for maintaining its end-strength objective and ensuring the overall readiness of the Soldiers in its formations, and is taking steps to address both of these issues, sequestration-level funding would compromise our ability to maintain readiness. If

the Army Reserve is not properly resourced at the President's Budget levels, the overall risk could significantly increase and negatively impact our ability to quickly provide needed technical capabilities to the Total Army and the Joint Force.

Force 2025 & Beyond

To prepare for future challenges, the Army Reserve fully supports and seeks to participate in Total Army efforts for balancing force structure and readiness, while modernizing the Total Army as part of Force 2025 and Beyond - a strategic objective of mine. To support the Army's efforts to rebalance and modernize the Total Army, I recently approved a Terms of Reference (TOR) that will guide our participation in Force 2025 and Beyond. This document, along with the Army Operating Concept, will aid in the development of the Army Reserve 2025 Vision and Strategy.

National Commission on the Future of the Army

The 2015 National Defense Authorization Act established the National Commission on the Future of the Army (NCFA).²¹ The Commission is charged with two duties. The first duty is to complete a comprehensive study of Army structure, and policy assumptions related to the size and force mixture of the Army.²² The second duty is to study the transfer of certain aircraft (AH-64 Apache Helicopters) from the Army National Guard to the regular Army.²³ The product of the first duty will enable the Commission to make "an assessment of the size and force mixture of the active component of the Army and the reserve components of the Army ... and make recommendations on the modifications, if any, of the structure of the Army related to current and anticipated mission requirements for the Army at acceptable levels of national risk and in a manner consistent with available resources and anticipated future resources."²⁴

To accomplish these duties, the NDAA states that the Commission requires certain expertise.²⁵ Specifically, it calls for consideration [for membership] to be given to "individuals with expertise in national and international security policy and strategy, military forces capability, force structure design, organization, and employment, and reserve forces policy" when making appointments to the commission.²⁶ To produce the best result for the Nation every effort must be made to ensure sufficient subject matter expertise from all three components are resident on the NCFA.²⁷

We see the Commission as a strategic opportunity to do the following:

- Communicate a winning vision for the future of the Army in the face of complex fiscal constraints and an uncertain global security environment.
- Explain the importance of all three components' capabilities that support the Total Army and Joint Force.
- Outline a way ahead for developing, planning, programming, and resourcing the Army of the future.

Significant Army Reserve Challenges and Requirements

Training Requirements

The Army's decision to increase the duration of their Combat Training Center rotations by 4 days to train Decisive Action tasks places a strain on the Army Reserve's ability to produce ready units.²⁸ Army Total Force Policy (ATFP) was not a resource decision. Many new training events the Army Reserve is integrating into are longer than the traditional period of Annual Training – 14 days plus 1 day travel. To meet ATFP and Total Army Training Integration (TATI) goals, the Army Reserve must sacrifice readiness in lower-tiered units.

Equipping

Despite gaining some improvements in Army Reserve equipping,²⁹ budget reductions under sequestration will further widen modernization gaps within unique enabling capabilities that are resident primarily in the Army Reserve.³⁰

The Army Reserve provides 92 percent of the bulk petroleum assets to the Joint Force in a non-permissive environment and enables the Army to fulfill duties as the executive agent for theater petroleum distribution. Retaining un-modernized, legacy petroleum platforms without a long-term investment strategy is an example of an "at-risk" capability which potentially widens interoperability gaps between the Army Reserve and the Total Army and Joint Force. This equipment includes: fuel tankers, fuel system supply points, storage, and tactical pipelines, many of which are approaching or exceeding their economic useful life without a bridging strategy for modernization.

The Army Reserve has 45 percent of the Total Army inventory of Echelons Above Brigade bridging assets, including 51 percent of the Army's Assault Bridge capability. The Joint Assault Bridge is projected to replace the Armored Vehicle Launched Bridge, which currently averages 38 years of age, by FY 2027. This is another at-risk capability for interoperability with the Total Army and Joint Force.

The Light Tactical Vehicle fleet is another example of risk to interoperability with the Total Army and Joint Force. The High Mobility Multipurpose Wheeled Vehicle (HMMWV) will remain in the Army Reserve inventory indefinitely without scheduled modernization. The Army Reserve will not start fielding the Joint Light Tactical Vehicle (JLTV) until FY 2022, and Army Reserve Units will not complete fielding the JLTV until FY 2038.³¹ The JLTV will close a capability gap between the HMMWV and the Mine Resistant Ambush Protected (MRAP) family of vehicles.³²

Equipment fielded to these formations must be the most modern to achieve interoperability for critical capabilities supporting the Total Army and Joint Force. The Army Reserve continues to operate with equipment shortfalls, and is the least equipped and modernized Army component. We appreciate the concern Congress has expressed over the fielding and modernization of Army Reserve equipment. If left unchecked, however, program procurement delays and the restructuring of requirements as a result of budget reductions will further widen modernization gaps and impede our interoperability with the Joint Force.

Equipment Procurement Funding

New procurement funding for the Army Reserve represented 4.9 percent of the Army's base procurement budget in FY 2015; however, in FY 2016 it represents less than 3 percent of the Army's base procurement budget. As a result, the Army Reserve consistently trails the Total Army in modernization and equipment on-hand, thus creating compatibility risk.³³ The presence of incompatible equipment in Army Reserve formations reduces the Army Reserve's ability to work shoulder to shoulder with other Army components to provide needed capabilities to the Army and the Nation.

Base Realignment and Closure (BRAC)

The Army Reserve would benefit from another round of Base Realignment and Closure (BRAC). Another BRAC would advance our efforts to consolidate units into new, state-of-the-art facilities that support or improve operational readiness rates, recruiting, and retention.

Army Reserve Network

The Army Reserve Network provides institutional service capabilities for the entire command and hosts nearly every business process required to operate.³⁴ It provides geographically dispersed leaders timely information to make informed decisions in order to exercise Mission Command of USAR Soldiers and Units dispersed between more than 1,100 Reserve Centers.³⁵ The Army Reserve Network is reliable, secure, standards based and agile. It provides access to the point of need. The Army Reserve Network is mandated by public law and is responsible for ensuring that the Army Reserve continues to provide enhanced capabilities to support the Total Army and the Joint Force in an era of fiscal uncertainty.

Force Protection

Current funding levels for Antiterrorism and Physical Security increases risk to the Army Reserve Protection Program (ARPP) and may jeopardize the broader Army Reserve mission. The ARPP is designed to protect people, information, property and facilities, in all locations and situations. ARPP policy and standards guide off-installation units and facilities toward improved protection while enhancing efforts to prevent or mitigate threats. It is designed to fill a niche where Army Reserve facilities, personnel, and information are primarily located off the installation and are inextricably linked with the civilian community. Critical Army Reserve Units, representing significant percentages of important capabilities for the Total Army, are more vulnerable from a host of threats because of their location off military installations. Protecting stand-alone units against unpredictable terrorist or criminal attack presents complex challenges. In most cases it requires thoughtful action beyond prescriptive instruction. ARPP Leaders continue to refine policy, procedure, and guidance for subordinate organizations and to develop courses of action for mitigating the detrimental effects of our budget-constrained environment. The Army Reserve is committed to implementing effective measures to deter, detect, prevent, defeat, and mitigate threats, and our leaders strive to identify and provide enhancements in operational procedures or programmatic resourcing to protect the Soldiers, Civilians and Family Members of the Army Reserve. Force Protection funding levels introduce risk for the protection of assets by challenging the Army Reserve's ability to protect its personnel and equipment against criminal, insider, and terrorist threats.

Army Reserve Way Ahead – Focus on Improving Readiness

The Army's role as the most highly trained and professional land force in the world is to defend the United States and its interests at home and abroad by providing expeditionary and decisive land power to the Joint Force and the Combatant Commands (CCMD). It does this through a concept known as *Prevent, Shape and Win*: **Prevent conflict** – with a credible force with sufficient capacity, readiness, and modernization; **Shape the international environment** – to enable friends and contain enemies; and be ready to **Win decisively and dominantly** – so as not to pay the price in American lives.³⁶

Recently, the Army published a new operational concept - *Win in a Complex World* - that articulates Army Reserve capabilities that support Total Force requirements. Consistent with United States Government, and Department of Defense (DoD) policy, and Joint Doctrine, it adds three core competencies that the Army Reserve is uniquely postured to support: shaping the security environment, setting the theater, and enabling cyber operations.³⁷

To support both concepts, the Army Reserve will do four things: work diligently to improve its readiness posture; remain engaged in operational activities; continue to improve our equipment acquisition and modernization levels; and increase our cyber capabilities.

Readiness Posture

The Army Reserve will focus on improving readiness through four related lines of effort: "Plan, Prepare, Provide," "Private Public Partnership (P3)," "Continuum of Service," and continued improvements to the health of the force.

Army Reserve Readiness Model: Plan, Prepare, Provide (PPP)

Our "*Plan, Prepare, Provide*" readiness model allows the Army Reserve to remain an operational force.

"Plan" refers to the regional alignment of Army Reserve forces with ASCCs and Geographic CCMDs. Part of this alignment includes the forward positioning of staff organized into Army Reserve Engagement Cells (ARECs) and Teams (ARETs).

"Prepare" is how the Army Reserve trains its Soldiers, Leaders, and Units as part of the Total Force. Utilizing a progressive approach, Army Reserve Soldiers and Units participate in individual and leader development events culminating in collective unit training exercises. The result is trained and accessible units ready to meet ASCC and CCMD mission requirements.

"Provide" is the actual deployment of Army Reserve Soldiers, Leaders, and Units in support of requirements at home (Defense Support of Civil Authorities) and abroad.

First implemented in support of the U.S. Army Pacific, PPP has proven effective, and is gaining traction elsewhere.³⁸ It ensures the Army Reserve is able to provide trained and ready forces for ASCCs, CCMDs, and the Total Force when needed across the range of conflict.³⁹ This is particularly true in the case of Operation United Assistance, the mission to coordinate logistics,

training and engineering support to the U.S. Agency for International Development (USAID) to help contain the spread of the Ebola virus in West Africa, where access to clean water is critical.⁴⁰ Although not needed for the US Government response, the Army Reserve was prepared to support this effort by providing significant water treatment and water purification capabilities to the African continent.

Private, Public Partnership (P3)

Private, Public Partnership (P3) is an effort that combines private sector capabilities with U.S. Code Title 10 training and the Army Training Strategy to enhance individual, leader, and unit readiness in the Army Reserve.⁴¹ This collaboration is conducted at little or no cost to the taxpayer. P3 provides the private sector with the highly skilled and educated employees that businesses need to succeed in a competitive marketplace in return for opportunities that enhance the skills of our Soldiers and the operational readiness of the Army Reserve. It does this by merging the best of Army training with civilian professional development to expand the skills and core competencies of Soldiers at the military and civilian level. This includes identifying and coordinating opportunities to support military missions as well as professional and personal development. It then puts those skills to work executing real world missions that not only advance the goals of partner organizations but support the strategic and operational role of the Army Reserve.

For example, Army Reserve Public Affairs Specialists improved their Individual readiness by completing paid internships with the Major League Baseball (MLB) Network. One of the three Soldiers selected for this opportunity later secured full-time employment with Columbia Broadcasting Service (CBS), while another is working for the broadcast industry in his hometown. The third iteration of this successful program is now underway. To enhance individual physical readiness, the Army Reserve partnered with world-renowned fitness trainer Tony Horton to develop targeted training videos to provide comprehensive fitness examples for Soldiers.

To improve Leader readiness, P3 is focused on partnerships with organizations that assist with credentialing, training, and mentoring opportunities that benefit civilian and military professionals.

In an effort to facilitate Unit readiness, P3 is partnering with private and public entities whose goals are to increase the quality of life in partner Nations through support of humanitarian and environmental improvement projects. The Army Reserve will participate in these projects through training missions that directly support ASCC and CCMD requirements. For example, in the Independent State of Samoa, the Army Reserve is working with two not-for-profit organizations – CitiHope and MedShare – to provide medical equipment, supplies and medication for the Faleolo Clinic as well as Army Reserve medical units to help train Samoans on how to use the equipment. The effort will not only operationalize the clinic, originally built by U.S. Pacific Command and increase medical capacity on the island, but strengthen U.S. relations with Samoa and New Zealand.

So, as you can see from just these few examples, P3 not only provides the highly skilled and educated employees business need to succeed in a competitive marketplace; and enhances the readiness of our forces at no additional cost to the taxpayers, but it unites and mobilizes the best of U.S. expertise, resources and ingenuity to address difficult world challenges.

Continuum of Service

The Army Reserve, in coordination with the Army, seeks to preserve the experience resident in the active component by retaining the best of their transitioning pool of Soldiers through the "Continuum of Service" program. While promoting a continuum of service makes good business sense, it also supports the Chief of Staff of the Army's recent guidance to leverage the unique attributes and responsibilities of each component. These initiatives preserve the operational experience gained from more than fourteen years of war while continuing to prepare Soldiers and Units to meet the future needs of the Nation.

The Army Reserve provides the Nation an opportunity to capitalize on military members who truly are Soldiers for Life. Our Soldiers continue to maintain their military skills while they are part of the fabric of their communities across the Nation. As Soldiers transition from the active Army to the Army Reserve, we provide an opportunity to help them start a civilian career and continue in a part-time military status, allowing the Nation to retain the valuable service of these Soldiers.

In the same vein, as Army Reserve Soldiers move on and off orders, the Army Reserve is taking full advantage of the redesigned Transition Assistance Program (TAP) for those Army Reservists who meet the eligibility criteria (180 continuous days or more on active duty under title 10, U.S. Code).⁴² Like their Active Component counterparts, Army Reserve Soldiers must meet the Career Readiness Standards (CRS) prior to release from active duty.⁴³ Our eligible Reservists are fully engaged in attending and participating in the Transition Goals, Plans, and Success (GPS) curricula - a key element of the redesigned TAP.

Health of the Force: Medical/Dental Readiness

The health of the force is inextricably linked to Soldier readiness. Enhanced medical and dental readiness across the force maintains the overall readiness of Army Reserve Units. Deployable Soldiers are the centerpiece of our formations; the task of ensuring their medical and dental qualifications to deploy is essential to maintaining that readiness. The Army Reserve achieved historically high levels of medical readiness in 2014, but much work remains to be done.⁴⁴ While multiple initiatives are responsible for these improvements, we continue to make strides toward reducing the number of medical/dental non-deployable personnel within our ranks through two important initiatives: the Army Reserve Medical Management Center (AR-MMC) and the Army Selected Reserve Dental Readiness System (ASDRS).⁴⁵

The AR-MMC provides case management for Soldiers with medically non-deployable conditions until their condition is resolved or the Soldier reaches their Medical Retention Decision Point (MRDP). If the Soldier reaches their MRDP, the Army Reserve, AR-MMC, and Army Medical Command work together to provide improved processes for those Army Reserve Soldiers

requiring entry into the Integrated Disability Evaluation System (IDES). Providing direct case management for Soldiers with profiles and an improved pre-IDES process has resulted in a nearly 25 percent reduction in the number of permanent profiles in the Army Reserve over the past 12 months.

The ASDRS continues to ensure dental treatment for Soldiers whose dental conditions make them non-deployable. Since ASDRS implementation began in September 2008, dental readiness has increased overall from 50 to 89 percent. Currently, less than five percent of the Army Reserve is non-deployable due to a dental condition.⁴⁶ If medical and dental readiness remains fully funded, we are on track to achieve our medical readiness goal of 85 percent in the current budget and program years.

Suicide Prevention

Sadly, other health-related concerns are not as easy to address as medical and dental issues. Many Soldiers continue to face life challenges and need our help. We are committed to providing the best resources and training available to assist our community-based Soldiers, Civilians, and their Families in times of financial, spiritual, physical, or personal stress. We have many programs to support the resilience of Soldiers, but our most pressing concerns are focused on preventing the tragedy of suicide and eradicating the scourge of sexual assault and harassment.⁴⁷

While there is no universal set of factors leading to a suicidal event, the detailed analyses of Army Reserve 15-6 investigations of suicidal events have helped us identify some important trends. For example, many Soldiers who commit suicide are male, single, junior-enlisted Soldiers that have not mobilized, are unemployed, and are suffering from relationship and financial challenges. This effort helped inform the development of five best practices to combat the issue of suicide within our ranks. First, we mandate personal contact with Soldiers and Family members between Battle Assemblies. This is a particular challenge for a geographically dispersed force that requires creative solutions to overcome. Second, we are trying to establish enduring cultural change, systems, and processes that integrate resilience into our Soldiers and Families. Third, we emphasize attention to "newly" assigned Soldiers to ensure their transition is a positive one. Fourth, we promote and advertise local resources (e.g., Fort Family) that help address the issue. Finally, we encourage public, command recognition of Soldiers who intervene and take action to prevent a suicide and help a Soldier or a Family member (e.g., the "Promoting Life" Awards Program).

As we continue to struggle with the tragedy of suicide in our ranks, we are emphasizing vigilance through proactive prevention and intervention training.⁴⁸ For example, Army Reserve initiatives to prevent the tragedy of suicide include: Ask, Care, Escort Suicide Intervention Training (ACE-SI) for Unit Junior Leaders and First-Line Supervisors; Applied Suicide Intervention Skills Training for Trainers (ASIST T4T) for Unit first responders and ASIST T2 (two-day training) for Gatekeepers; a Leader Guide and Battle Buddy Computer Application; and additional education and awareness at Pre-Command Courses.

As a geographically dispersed force, we have less frequent physical contact and limited access to military installation support. Therefore, we have placed 36 Suicide Prevention Program Managers (SPPMS) positions and increased access to counselors and resources across our formations, with an emphasis on reducing the stigma associated with personal, Family, or behavioral health issues. To date, we have hired 26 of these 36 suicide prevention program managers – a good news story.⁴⁹

Sexual Harassment and Sexual Assault

Like suicide prevention, the Army Reserve is committed to preventing, deterring, and responding to Sexual Harassment and Sexual Assault in its ranks. However, both Sexual Harassment and Sexual Assault remain a challenge for the Army Reserve for a number of reasons.

Since FY 2012, the Army has taken a number of steps to reduce Sexual Harassment and Sexual Assault in the Army.⁵⁰ To aid in this effort, the Army Reserve established four full-time Special Victim Counsel (SVCs) positions, located at each of the four Regional Support Commands; 52 Troop Program Unit (TPU) SVCs, located at the Army Reserve General Officer Commands (GOCOMs); and 29 SVCs, located within each Legal Operation Detachment.⁵¹

The Army Reserve also established 50 full-time Sexual Assault Response Coordinator/Victim Advocate (SARC/VA) positions that span the footprint of the Army Reserve.⁵² The Army Reserve identified two of these as Active Guard and Reserve positions, and 48 of them as full-time, military technician (MILTECH) positions.⁵³ Currently, 41 of the 48 MILTECH positions are filled.⁵⁴ The Army Reserve is actively working to fill all 50 positions.

The Army Reserve is responsible for five Department of Defense (DoD) Safe Helpline (877-995-5249) phone numbers published on the DoD Safe Helpline web site and other locations.⁵⁵ These Helpline services provide additional resources for complainants and victims of sexual assault. The Army Reserve held a SHARP Forum in November of 2014, bringing all Operational, Functional, Training and Support Command (OFTS) SARCs and VAs together to discuss the latest DoD Policies, best practices, as well as provide multiple, hands-on training opportunities. To complement this effort, I will conduct a Senior Leader Forum on SHARP in March of 2015.

In spite of these efforts to combat Sexual Harassment and Sexual Assault, the Army Reserve observed an increase in the reported number of sexual assault cases and sexual harassment complaints over the last three years. In FY 2012, Army Reserve SHARP personnel in the field received 13 formal complaints of Sexual Harassment. In FY 2013, the number of formal complaints documented in the Incident Case Reporting System (ICRS) – the official database of record for Sexual Harassment - increased to 27. In FY 2014, the Army Reserve had 22 formal complaints documented in ICRS. In FY 2012, there were 21 cases of Sexual Assault in the official database of record, the Defense Sexual Assault Information Database (DSAID). In FY 2013, there were 83 cases of Sexual Assault in the DSAID. In FY 2014, there were 119 cases of Sexual Assault in the DSAID.

While the increase in reports is in line with Army goals to increase reporting, there is no way of knowing precisely why the number of reported incidents rose. Some have asserted a positive change in Army culture led to increased reporting. Others have posited that improvements in DoD reporting are responsible for the increase. Regardless of what drove the rise in reporting in the Army Reserve, what we can say with some certainty is that shared access to improved DoD and HQDA automated systems has helped the Army Reserve track and analyze Sexual Harassment complaints and Sexual Assault cases. Our goal is to utilize improved analytics to inform current and future mitigation efforts. Moreover, we have observed a demonstrated positive impact in the force following the adoption of a more aggressive focus and stance on Sexual Harassment and Sexual Assault. For example, Chief Warrant Officer 5 (CW5) Debra Blankenbaker (7th Civil Support Command SARC) received the Army and U.S. Army Europe (USAREUR) 2014 Sexual Assault Prevention Innovation Award for the bystander intervention training she developed. She was recognized with a Meritorious Service Medal from LTG Bromberg, Department of the Army G1, and an Army Reserve Commendation Medal from MG Piatt, the Deputy Commanding General of USAREUR. The 99th Regional Support Command created a SHARP quick reference book for SARC/VA personnel, command teams, and civilian supervisors. This book contained victim referral information for almost every community supported by the 99th RSC. The 99th RSC also established a well-being academy located on Joint Base McGuire-Dix-Lakehurst. The academy provides training courses in SHARP, ASAP, Suicide Prevention, and Resilience. Classes are open to all Soldiers regardless of their geographical location. Finally, the Army Reserve supported the recent CSA SHARP Advisory Panel (16 OCT 14) with three panel members. The panel connected senior leaders and unit-level practitioners to share a common vision; voice Army Reserve concerns; and capture lessons learned to improve SHARP-related activities.

In short, Sexual Harassment and Sexual Assault are incompatible with Army Values. The Army is committed to reducing, and eventually eliminating, sexual assault from the ranks through a comprehensive Sexual Harassment/Assault Response and Prevention (SHARP) Campaign Plan that is focused on enhancing prosecution, investigation, victim advocacy, assessment and accountability. Army policy promotes sensitive care and confidential reporting for victims of Sexual Harassment and Sexual Assault, and appropriate accountability for those who commit these crimes. I expect no less in the Army Reserve. I am fully committed to maintaining an environment free of sexual harassment and sexual assault throughout the Army Reserve. After all, the Army Reserve is a large, extended family that consists not only of Soldiers and their Family members but one that extends to all our Civilian employees and the Contractors who work side by side with us. We do not tolerate inappropriate behavior in the Army Family. Rather, Family members take care of one another.

To accomplish that end state, we remain committed to strengthening our ability to track, investigate and hold perpetrators appropriately accountable, while increasing our emphasis on providing help to victims.⁵⁶

Army Reserve Family Programs

Army Reserve Family Programs supports the unique needs of Army Reserve Soldiers and their Families.⁵⁷ These include youth development programs and services, 24/7 outreach call centers, and warrior transition. For example, the Fort Family Outreach and Support Center at <http://arfp.org/fortfamily.html> or via the Fort Family phone number at 1-866-345-8248) provides live, relevant, and responsive information to support Army Reserve Soldiers and Families. Fort Family is a single gateway to responsive Family Crisis Assistance, available 24/7, 365 days a year. It provides a unit and community-based solutions that connects people to people. By pinpointing Families in need and local community resources, the Fort Family Outreach and Support Center can quickly connect the Soldier and Family to resources, providing installation-commensurate services in the geographic location of the crisis. Fort Family Outreach and Support Center has established a community-based capacity by engaging our Nation's "Sea of Goodwill" to support Soldiers and Families close to where they reside. Simply stated, Fort Family via web or phone connects Soldiers and Families with the right service at the right time. Additional funding for Family programs could accelerate all of these efforts.

The Army Reserve Ambassador (ARA) Program⁵⁸

The Army Reserve Ambassador (ARA) program was established in April 1998 to enable private citizens to promote awareness of the Army Reserve and my identified goals and objectives.⁵⁹ ARAs develop awareness and advocacy with community leaders and are vitally important bridges to communities across the Nation. ARAs educate the public, community leaders and congressional staff offices about the capabilities and value of the Army Reserve and its Soldiers. They establish open lines of communication within these communities to help establish mutually supporting relationships with community leaders and community organizations. ARAs promote support for Soldiers and their Families during deployments and play an active role in facilitating community support through "welcome home" ceremonies and the Yellow Ribbon Program. Maintaining this invaluable program is critically important to improving the health of the force while strengthening the ties that bind America to its Army.⁶⁰

Operational Integrators

The regional alignment of forces and the development of Army Reserve Engagement Cells (AREC) and Teams (ARET) are two ways the Army Reserve remains engaged in operational activities.⁶¹ Regionally aligned in accordance with Department of the Army policy, Army Reserve Units and Soldiers remain committed to helping the Army engage regionally to "ensure interoperability, build relationships based on common interests, enhance situational awareness, assure partners, and deter adversaries" by providing robust and continuing support to multiple exercises in every CCMD's area of operation.⁶² A budget-neutral initiative staffed entirely from within existing Army Reserve structure, ARECs and ARETs help ASCCs and CCMDs integrate Army Reserve capabilities into theater-level plans, exercises, and operational activities.⁶³ As end-strength is reduced to comply with both constrained budgets and other directives, the AREC/ARET concept will ensure Army Reserve forces are wholly integrated into the Total Force, facilitate the Reception, Staging, Onward Movement, and Integration (RSOI) of USAR Soldiers and Units, and enable the supported command's Title 10 USC responsibilities for contingency operations and Theater Security Cooperation events. They also advance

implementation of the Army Reserve's Regional Alignment of Forces, and provide reach-back capability to theater enabling commands and expertise based in the United States. At the same time, ARECs and ARETs help the ASCCs and CCMDs better understand Army Reserve processes and authorities as they plan Army Reserve forces to support theater operations. The Army Reserve currently has signed AREC memoranda of agreement with U.S. Army Pacific (USARPAC), U.S. Army North (ARNORTH), U.S. Army South (ARSOUTH), and U.S. Army Africa (USARAF). Likewise, the Army Reserve has signed ARET memoranda of agreement with 1st CORPS, U.S. Pacific Command, U.S. Army Japan, Eighth Army, U.S. European Command, U.S. Central Command, U.S. Northern Command, and U.S. Africa Command.⁶⁴

Cyber Capabilities

As new missions arise from emerging threats, the Army Reserve is well positioned to lead in the cyberspace domain. Currently, more than 3,500 Army Reserve Soldiers support cyber operations.⁶⁵ As threats and technologies evolve, the civilian skills that Army Reserve Soldiers possess will enable our formations to provide a highly specialized talent pool to meet current needs and develop emerging capabilities. We are committed to building 10 cyber protection teams and an Army Reserve Cyber Training Element that includes an opposing force of more than 800 highly skilled cyber warriors in support of U.S. Cyber Command.⁶⁶ This force structure effort is budget neutral, which reflects both a win for the Army and the Nation.

Conclusion

Dual Roles

The Army Reserve has two critical roles – the operational federal reserve of the Army and a domestic emergency and disaster relief force for the Nation.⁶⁷ Flexible and scalable, the Army Reserve tailors its organizations to meet a variety of operational missions and other activities across the Conflict Continuum.⁶⁸ In this role, Army Reserve forces are an essential partner in preventing conflict, shaping the strategic environment, and responding to operational contingencies at home and around the globe.

As an operational force, it provides trained, ready, and equipped Soldiers, Leaders, and Units to the Total Army and the Joint Force. For example, Army Reserve intelligence Soldiers provide 86,385 man days of support to Army missions. Multiple, short vignettes exemplify this point. The 368th Military Intelligence Battalion (Theater Support) runs the night-shift for the Korean Peninsula, providing all required geospatial intelligence (GEOINT) products to the Army. In FY 2014, the 323rd Military Intelligence Battalion (TS) provided approximately 990 man-hours of real world, relevant, actionable intelligence production support to 66th Military Intelligence Brigade and the AFRICOM AOR, and the CENTCOM Army Reserve Element completed some 801 man days of all-source analysis in support of (ISO) the J2 Iraqi Fusion Cell. When the 505th Military Intelligence Brigade (USAR) is activated and the U.S. Army Reserve Military Intelligence Readiness Command (MIRC), U.S. Army Intelligence and Support Command (INSCOM), and U.S. Army North (ARNORTH) finish defining manpower and funding roles for all components, the Army Reserve will have the intelligence mission for Northern Command's entire homeland defense. The Army Reserve's Expeditionary Sustainment Commands deploy to locations devoid

of infrastructure to facilitate the opening of seaports and airports, while our logistics and supply chain personnel are experts at moving life-saving materiel and services into affected areas.

The Army Reserve also stands ready to support federal, state, and local authorities for domestic emergency and disaster relief efforts at home.⁶⁹ This includes support to Command and Control Chemical, Biological, Radiological, Nuclear Response Element (C2CRE) and Defense Chemical, Biological, Radiological, Nuclear and high- yield Explosives (CBRNE) Response Force (DCRF) missions. Army Reserve medical evacuation helicopters can rapidly transport patients to critical care facilities, and our medium and heavy lift helicopters can deliver life-sustaining supplies, equipment, and construction material into devastated areas. Army Reserve engineer units include search and rescue teams, debris removal capabilities, horizontal (e.g., roads and airfields) and vertical (e.g., buildings and infrastructure) construction as well as bridge construction capabilities. We also have a prime power company which can provide commercial-level electrical power to affected areas.

Readiness-Focused

The Army Reserve's focus as a critical, dual-use force is on maintaining the readiness of its life-saving and life-sustaining capabilities that complement and enable the Total Force. For example, the Army Reserve possesses nearly 20 percent of the Army's organized units, a large portion of its supporting enabling capabilities, and almost a quarter of its mobilization base expansion capability.

Fiscally Efficient⁷⁰

The Army Reserve's 198,000 Soldiers and 8,490 Military Technicians provide nearly 20 percent of the Army's total force for less than six percent of the Total Army budget. We also accomplish our mission with only 13 percent of our component serving as full-time support (FTS) - six percent less than the average across all Services' reserve components. As good stewards of America's resources, the Army Reserve continually seeks innovative and cost effective joint training opportunities. For example, during Innovative Readiness Training exercise Northern Louisiana Care 2014, Army Reserve Soldiers from the 865th Combat Support Hospital partnered with service members from the Navy and active duty Army to set up clinics in Winnsboro, Louisiana.⁷¹ They provided medical, dental and optometry care to residents who did not have regular access to health care.⁷² In the first day alone, 201 underserved citizens received medical, behavioral health, dental, and vision services.⁷³ This real world training in a joint, civilian-military environment improved the command's readiness while helping deliver world class medical care to the people of northeast Louisiana, and represents Army Total Force policy in action.⁷⁴

Positive Economic Impact

In addition to providing the Army and the DoD a high return on investment, the Army Reserve positively impacts America's economy. Each year, as the Army Reserve executes the Army Training Strategy, local Soldiers, DoD employees, private businesses, and civilian contractors and administrative support personnel tangentially benefit from its presence in the states and communities in which it operates. In turn, tens of thousands of new industry, service-related,

small business, and other non-DoD jobs are created as a result of the Army Reserve's presence. Thus, investment in the Army Reserve generates essential military capabilities while also contributing to a positive economic climate for state and local communities.⁷⁵

A Component and a Command

As the only Army component that is also a command, the Army Reserve directly supports every Army Service Component Command (ASCC) and Combatant Command (CCMD) across the globe, with a footprint that extends across all 50 states, five territories, the District of Columbia, and more than 30 countries. Army Reserve Soldiers, Leaders, and Units form a local, state, regional, national and global force with unparalleled technical capabilities.⁷⁶ Structured to provide operational capabilities and strategic depth to the Army and the Joint Force, the Army Reserve effectively deploys critical capabilities and forces across the entire range of military operations.

Well-educated, Trusted Professionals

A well-educated force of trusted professionals, the Army Reserve holds 75 percent of the doctorate degrees and half of the master's degrees in the Army. Enhanced by the civilian skills, education, training, and experience of our Citizen-Soldiers, the Army Reserve's doctors and nurses, lawyers, scientists, engineers and information technology specialists, marketing and communications experts, and public safety professionals serve on the leading edge of their fields. When called to serve in uniform, they provide the professional expertise they have developed in their civilian careers to the Army and the Nation.

Tailorable, Scalable, and Responsive

Tailorable, scalable, and responsive, the Army Reserve has the capacity to provide more than 27,000 Soldiers annually, as individuals or units, to satisfy the DoD's operational requirements.⁷⁷ CCMD's need many of these Soldiers and Units in the first 45 days of an operation to build crucial theater operating capacity quickly and to sustain the war-fighter. Dispatching Army Reserve Logistics Support Vessels (LSV) to render aid in the Philippines the same day they were requested is a good example of the Army Reserve's accessibility and responsiveness.⁷⁸

Critical Capabilities, Civilian Skills, and Professional Expertise

Providing critical military enabling capabilities, civilian skills, and professional expertise to the Army and the Nation remains an Army Reserve core competency, which greatly assists the Army's effort to enable the Joint Force to "Win in a Complex World."⁷⁹ Army Reserve logistics, communication, and intelligence forces provide the "endurance to sustain operations" and the ability to "set the theater" that helps the Joint Force present America's enemies and adversaries with multiple dilemmas and multiple options.⁸⁰ Army Reserve Civil Affairs forces help the Army shape the global security environment.⁸¹ Army Reserve Military Information Support Operations (MISO) forces, Theater Information Operations Groups and Soldiers supporting Cyber operations help the Army operate in multiple domains.⁸² As we work together to develop the future force, we must carefully consider how we man, train, and equip these critical capabilities,

and best leverage their capabilities to maximize the tenets of endurance, mobility, and simultaneity that they bring to the joint fight.⁶³

Mission-Focused

Today, the Army Reserve provides trained, equipped, and ready Soldiers and cohesive Units to meet the Nation's requirements at home and abroad. We are a combat-tested and integral element of the most decisive and lethal land force in the world. We have the most experienced Army Reserve in our Nation's history – one that has been completely integrated into the Total Army and the Joint Force, and remains operationally engaged via deployments and exercises. Never before in the history of our Nation has the Army Reserve been more indispensable to the Total Army and the Joint Force.

High Demand, Resilient Force

This steady demand for Army Reserve capabilities has introduced a new paradigm of reliance on the Army Reserve as a critical part of our national security architecture that must continue into the future. This is particularly true when we are faced with such a complex and exponentially evolving global security environment compounded by severe fiscal constraints. Given the likelihood that neither of these two conditions will change in the near term, we cannot lose the traction we have made in integrating the Total Force. Nor can the Army lose the sustainment and theater-level capabilities the Joint Force will require and the Army Reserve is structured to provide when the need arises.

Life-Saving, Life-Sustaining Force

In a rapidly changing and increasingly dangerous global environment fraught with fiscal uncertainty, the Army Reserve provides critical skills and depth as the life-saving, life-sustaining Citizen-Soldier force for the Nation. A community-based force, the Army Reserve offers the Nation an effective insurance policy against strategic and operational risk. Whether performing combat missions and contingency operations, or saving lives and protecting property at home, our expeditionary formations continue to offer versatile, available, and effective capabilities to the Nation at reduced costs to the American taxpayer – a win for the Army and the Nation. The Army Reserve is a good return on America's investment – ready now, ready in times of crisis, and ready for whatever threats and challenges the future may hold.

Twice the Citizen - Army Strong!

ENDNOTES

¹Analysis of the 2014 Army Reserve Economic Impact by state was conducted by George Mason University's Center for Regional Analysis using data provided by the U.S. Department of Commerce, Bureau of Economic Analysis.

²USARC G-3/5 via HQDA system "MDIS" Mobilization Deployment Information System, 17 October 2014. 280,631 since September 11, 2001. This number includes Soldiers at mobilization and demobilization sites, as well as those with Boots on Ground.

³USARC G-3/5, 8 January 2014. 16,058 AR Soldiers were on duty in support of ASCC/CCMDS, to include: 2,596 AR Soldiers in Afghanistan, 2,923 in the United States, 2,138 in Kuwait, 1057 in Cuba, 143 in Qatar, and 174 in Djibouti. Again, this number includes Soldiers at mobilization and demobilization sites, as well as those with Boots on Ground.

⁴Coker, Kathryn Roe, *The Indispensable Force: The Post-Cold War Operational Army Reserve, 1990-2010, Office of Army Reserve History*, United States Army Reserve Command, Fort Bragg, North Carolina, p. 47-55.

⁵Carafano, James Jay. *Total Force Policy and the Abrams Doctrine: Unfulfilled Promise, Uncertain Future*, Foreign Policy Research Institute, February 2005; database available online at: <https://www.fpri.org>. "The Abrams Doctrine is widely interpreted as an expression of General Creighton Abrams' determination to maintain a clear linkage between the employment of the Army and the engagement of public support for military operations. Abrams, according to the doctrine, established this bond by creating a force structure that integrated Reserve and Active Components so closely as to make them inextricable, ensuring after Vietnam that presidents would never be able to again send the Army to war without the Reserves and the commitment of the American people."

⁶2014 National Defense Authorization Act.

⁷G1, Office of the Chief of the Army Reserve, 16 JAN 2015.

⁸Ibid. The AR experienced a net gain of 2,392 Soldiers during FY 2015 (we ended FY 2014 at 195,438).

⁹Final Coordinating Draft (FCD), 2015 Army Posture Statement, Executive Summary, 15 JAN 2015.

¹⁰Ibid, p. 1

¹¹Department of Defense Authorization of Appropriations for FY 2015 and the Future Years Defense Program, APRIL 8, 2014, U.S. Senate,

Committee on Armed Services, Washington, DC. Opening Statement of Senator Carl Levin, Chairman.

¹²Office, Chief of the Army Reserve (FWD), G-3/5/7.

¹³Caolionn O'Connell, Jennie W. Wenger, Michael L. Hansen, *Measuring and Retaining the U.S. Army's Deployment Experience*, Rand Corporation, 2014, p. 1.

¹⁴2015 Army Reserve Component Submission to Congress: *An Addendum to the Army Posture Statement*. There is disagreement among the three components how to define FTS. The USAR definition includes AGRs, MILTECHs, DACs and Title XI Soldiers (AC/RC) as part of FTS. Army PA&E and the Army National Guard only include AGRs and MILTECHs. The 11% reduction reflects the USAR method of FTS computation. If the Army and ARNG method were used for FTS (only AGRs and MILTECHs), the Army Reserve's FTS reduction would be 2% (25,251 (16,261 AGRs + 8,990 MILTECHs) – 500 positions = 24,751)." There were no changes to Title XI (76) or AGR (16,261) authorizations in the Army Reserve for FY 15.

¹⁵U.S. CODE § 10216 - MILITARY TECHNICIANS (DUAL STATUS). A MILTECH "is assigned to a civilian position as a technician in the organizing, administering, instructing, or training of the Selected Reserve or in the maintenance and repair of supplies or equipment issued to the Selected Reserve or the armed forces."

¹⁶The Official Homepage of United States Army Civilian Personnel. Database available online at: <http://cpol.army.mil>.

¹⁷Ibid.

¹⁸2014 Army Reserve Component Submission to Congress, p. 5. "Sections 517 and 521 of the National Defense Authorization Act (NDAA) 1994 require the information presented in this submission. "

¹⁹G1, USARC, November, 2014. For that reporting period, this equates to 5.98% of the AR's current assigned strength of 176,987.

²⁰Carafano, *Total Force Policy and the Abrams Doctrine*, Foreign Policy Research Institute, February 2005; database available online at: <https://www.fpri.org>. "Whether Abrams actually intended to father a

doctrine or if his efforts created a unique extra-Constitutional constraint on presidential power is open to debate. The Army rooted its force structure policies in the Total Force Concept initiated by Secretary of Defense Melvin Laird. Attempting to address the imbalance between budgets and strategy, Laird saw the Total Force as a means to provide sufficient troops for the nation's security needs without the costly burden of maintaining a large standing-army. Furthermore, while Laird's new defense policies and Abrams' initiatives proved adequate for maintaining a large standing-force, they were never equal to the task of sustaining readiness and modernization and, in fact, implementing the Total Force Concept contributed to chronic unpreparedness in the Army's Reserve Components."

²¹*The Carl Levin and Howard P. 'Buck' McKeon National Defense Authorization Act for Fiscal Year 2015*, TITLE XVII—NATIONAL COMMISSION ON THE FUTURE OF THE ARMY, p. 944, Rules Committee Print 113–58, House Amendment to the Text of S. 1847. Database available online at: <http://armedservices.house.gov>.

²²Ibid, p. 947-948.

²³Ibid, p. 950-951.

²⁴Ibid, p. 948.

²⁵Ibid, p. 946.

²⁶Ibid, p. 946-947.

²⁷*National Commission on the Structure of the Air Force*, Report to the President and Congress of the United States, January 30, 2014.

²⁸*2015 Army Posture Statement Initial Draft*, 25 1300 November 2014, p. 11.

²⁹U.S. Army Reserve Command. During FY 2014, the Army Reserve equipment on-hand posture improved from 86 percent in FY 2013 to 87 percent in FY 2014 with equipment considered modern improving from 66 percent in FY 2013 to 76 percent in FY 2014. During FY 2014, we received \$957M in new equipment and divested obsolete equipment valued at \$427M. The equipment on-hand posture for Critical Dual Use Items to support Homeland Defense (HD) and Defense Support of Civil Authorities (DSCA) currently stands at 89 percent filled (no change from FY 2013).

³⁰*Fiscal Year 2015 National Guard and Reserve Equipment Report* (NGRER).

³¹*Long-Range Investment Requirements Analysis* (LIRA) illustrated HMMWV fleet modernization. JLTV does not completely replace the HMMWV (only about 60%); there will still be a mix (UAH/MRAP/JLTV).

³²HQDA G-8, *Army Equipment Program in Support of President's Budget*, May 2014.

³³Calculated by using the base P-1 and P-1R data across the three components.

³⁴AR 25-1 (*Chapter 2, Roles and Responsibilities*) describes the Office, Chief of the Army Reserve responsibilities for the AR network. The AR Net is a separate logical network. This means that it shares or runs on commercial transport. The AR was the first to do this, the NG followed a year later and the AC is currently undergoing transformation to follow suit.

³⁵Army Reserve Installation Management Directorate (ARIMD). Although the number changes monthly as new centers are built and old ones are disposed of, the Army Reserve currently has a presence in 1042 centers worldwide. The Army Reserve owns 942 Reserve Centers, and are tenants in 150 more (owned by Army, Army National Guard, US Navy Reserve, US Air Force Reserve, and the US Air Force National Guard). Additionally, the USAR owns three Installations: Fort Buchanan, PR, Fort McCoy, WI, and Fort Hunter Liggett, CA, and two Reserve Forces Training Areas: Camp Parks, CA, and Fort Devens, MA. The USAR does not own Fort Dix, as it is a sub installation of Joint Base McGuire/Dix/Lakehurst and is totally owned by the Air Force.

³⁶Army website, article by CSA "Prevent, Shape, Win," December 12, 2011.

³⁷TRADOC Pamphlet 525-3-1, *The U.S. Army Operating Concept, Win in a Complex World, 2020-2040*, 7 Oct 2014, p. vi.

³⁸General Vincent Brooks, *Regional Alignment of Forces Panel*, AUSA Annual Conference, 15 October 2014.

³⁹Joint Publication 3-0, *Joint Operations*, 11 August 2011, p. I-5.

⁴⁰*Dynamics and Control of Ebola Virus Transmission in Montserrado, Liberia a Mathematical Modeling Analysis*, The Lancet Infectious Diseases.

⁴¹In response to a comparatively high unemployment rate among Army Reserve Soldiers, the Army Reserve established the Employer Partnership Office (EPO) in 2008. The EPO leverages mutually beneficial relationships between civilian and military communities with a focus on developing career and training opportunities for Soldiers, Veterans, and Family members. That success benefits the Total Force

by serving as the model for the DoD-sponsored Hero 2 Hired program. The EPO evolved into the Private Public Partnership Office, or P3O, which now provides a one-stop clearing house for private sector and non-DoD organizations interested in collaborating in mutually beneficial efforts that strengthen individual, leader, and unit readiness.

⁴²TAP provides information and training to ensure these eligible Reservists, returning from active duty to their Reserve Component Units, are prepared for reintegration to civilian life. Opportunities include pursuing additional education, returning to civilian employment, looking for career opportunities in the public or private sector, or starting their own business.

⁴³CRS are a set of common and specific activities and associated current deliverables (documentation within the last 12 months) that must be achieved to demonstrate Service members are prepared to transition effectively and pursue their personal goals. For example, they must complete a 12-month post-separation budget or, if they plan on pursuing a degree, they must show a completed application to an institution of higher learning or letter of acceptance.

⁴⁴Surgeon, OCAR. The number of medically non-deployable Soldiers in the Army Reserve decreased from nearly 40,000 (>20% of the force) in March 2012 to approximately 17,000 (<10% of the force) in September 2014. The Army Reserve goal for medical non-deployable Soldiers is < 5% of the force (10,100 of the 202K end strength).

⁴⁵Surgeon, OCAR. Implementing a requirement for annual medical and dental assessments in 2008 improved our ability to adequately determine the medical and dental readiness of the force. Additional initiatives include: Decrease Non-compliance (reduce medical indeterminate), Improve Dental Readiness, Reduce Medical Non-Deployable, Reduce Medical Readiness Turbulence, and Improve Medical Readiness Reporting (Visibility).

⁴⁶Surgeon, OCAR. The Army Reserve goal for dental non-deployable is < 3% of the force (6,060 of the 202K end strength).

⁴⁷G1, United States Army Reserve Command, 13 JAN 15. The Army Reserve averaged 45.66 suicides a year (274 total) from CY 2009 (35) to CY 2014 (40; 35 confirmed, 5 under investigation) - (CY 2010 – 49; CY 2011 – 42; CY 2012 – 50; CY 2013 – 57 and 1 Civilian employee). To date (CY 2015), the Army Reserve has suffered no suicides.

⁴⁸G1, United States Army Reserve Command. For example, Army Reserve initiatives to prevent the tragedy of suicide include: Ask, Care, Escort Suicide Intervention Training (ACE-SI) for Unit Junior Leaders and First-Line Supervisors; Applied Suicide Intervention Skills Training for Trainers (ASIST T4T) for Unit first responders and ASIST T2 (two day training) for Gatekeepers; a Leader Guide & Battle Buddy Computer Application; and additional education and awareness at Pre-Command Courses.

⁴⁹G1, United States Army Reserve Command. Vacant Positions exist in 10 commands: the 377th Theater Support Command (TSC), 416 Theater Engineer Command (TEC), 310th Expeditionary Sustainment Command (ESC), 79th Sustainment Support Command (SSC), 95th Training Command, 80th Training Command, the 316th Expeditionary Sustainment Command (ESC), the 310th Expeditionary Sustainment Command (ESC), the 88th Regional Support Command (RSC), the 1st Mission Support Command (MSC), and the 364th Expeditionary Sustainment Command (ESC).

⁵⁰In FY 2012, Department of the Army combined these functions and mandated dedicated, full-time personnel to manage the SHARP program through Sexual Assault Response Coordinators (SARCs) and Victim Advocates (VAs). On 6 May 2013, the Secretary of Defense signed a memorandum directing the implementation of the DoD Sexual Assault Prevention and Response (SAPR) Strategic Plan. This memorandum outlined several specific measures for immediate implementation. The first task was "Ensuring Appropriate Command Climate." The Army directed workplace inspections for displayed material in violation of AR 600-20 and noncompliance with promoting an environment of dignity and respect. The workplace was defined as all buildings, areas, facilities where Soldiers, Civilians, and Contractors are required to perform assigned duties, and also include vehicles, vessels and aircraft. On 17 May 2013, the Secretary of Defense signed a memorandum directing a Sexual Assault Prevention and Response Stand-down, specific leader engagement strategies to be followed, and new, required credentialing/screening parameters to be used for SHARP personnel. The Army Reserve successfully completed all of these actions.

⁵¹SVCs are part of the Army-wide effort to ensure that sexual assault victims are provided responsive and timely support throughout the investigation and judicial proceedings. SVCs have the professional duty to provide advice to their clients and to represent their clients throughout the military justice process. The

SVC's primary duty is to zealously represent the best interests of their clients as required by the attorney-client relationship even if their client's interests do not align with those of other interested parties, to include the Government of the United States.

⁵²Prior to FY 2013, Troop Program Unit military personnel or civilians handled all cases of sexual assault as a part-time, additional/collateral duty.

⁵³Deputy Chief, Services and Support Division, US Army Reserve Command. The officer position(MAJOR) is filled; the enlisted position (Master Sergeant (MSG)) is VACANT. The enlisted position will fill o/a FEB 2015, and the Soldier assigned to this position is trained and credentialed.

⁵⁴Human Resources Division, Office of the Chief, Army Reserve. As of 12 JAN 15, 7 positions are pending fill. Of those 7, 2 candidates are waiting on final background check verifications and 3 candidates are still active in the recruitment process.

⁵⁵USARC SHARP remains in constant contact with the DoD Safe Helpline to ensure hotline numbers are updated and each State is linked to a Regional Hotline number.

⁵⁶The USARC SJA is currently tracking 156 sexual assault/sexual contact cases (Article 120 cases) (some are years old, not for recent incidents). This includes: 73 - cases "Under Investigation" (includes CID, civilian authorities, and AR15-6 investigations); 23 - cases under "Civilian Prosecution" (these cases will almost invariably shift to the Administrative Action category as General Officer Memorandum of Reprimands (GOMOR) and Separations); 15 - "UCMJ Actions" (includes ongoing CMs (13) and Article 15s (2)); 45 - "Administrative Actions" (this includes separations and reprimands); 23 separations based on UCMJ or Civil conviction; and 22 GOMORs/separations due to various reasons.

⁵⁷Army Reserve Family Programs; database available online at: <http://arfp.org/programs>.

⁵⁸Army Reserve Ambassador Program. Data available online at:

<http://www.usar.army.mil/community/ambassadors>).

⁵⁹Ibid. "Ambassadors are currently appointed by the CAR, via nomination from Regional Support Command/ General Officer commanders. The nominee cannot be an actively-serving member of the National Guard, Ready Reserve (Selected), Individual Ready Reserve, Federal Government or be a Federal elected/ appointed official. Their function is similar to that of Civilian Aides to the Secretary of the Army (CASA), and they carry a protocol status equivalent to a major general. While not all ARAs have military experience, many are retired officers or senior non-commissioned officers who wish to remain engaged in military affairs. They function at the state and local level and voluntarily represent the CAR without salary, wages or other benefits. Each state and territory has at least one ARA. Most beneficial is that they provide "continuity" over the long term; while local Army Reserve team leaders come and go, Ambassadors are vested in the community."

⁶⁰Ibid. For more information visit the Army Reserve Ambassadors Association of the United States website at www.arambassador.org.

Email your Ambassador inquiries to usarmy.usarc.ocar.mbx.ambassador@mail.mil.

⁶¹OCAR G-3/5/7 (FWD). An Army Reserve Engagement Cell (AREC) is a tailored, forward-deployed Army Reserve planning element (10-17 Soldiers in an Active Guard and Reserve status working under the direction of an Army Reserve General Officer (O-7) in an Individual Mobilization Augmentation status) designed to work in direct support of ASCC's. An Army Reserve Engagement Team (ARET) is a scaled and tailored, forward-deployed AR planning element (4-8 Officers (O4-O5) in an AGR status led by an Army Reserve Colonel (O-6)) designed to work in direct support of each Geographical Combatant Command and Corps.

⁶²TRADOC Pamphlet 525-3-1, *The U.S. Army Operating Concept, Win in a Complex World, 2020-2040*, 7 Oct 2014.

⁶³OCAR G-3/5/7 (FWD). Implementing the Army Reserve Engagement Cell/Team concept requires the management of bills and bill-payers to change approximately 230 TDA force structure positions throughout HQ USARC and the OFTS commands.

⁶⁴G-3/5/7, USARC. As of 16 DEC 14, 12/19 MOAs are signed, and 77 of 224 positions are assigned, to include: 1 of 6 General Officer positions.

⁶⁵OCAR G-3/5/7 (FWD). These 3,500 Soldiers come from Theater Signal brigade assets that provide defensive cyber operations support to DoDIN. These 3500 positions supporting cyber operations encompass Soldiers assigned to perform a Cyber Security mission set. The 1545 by FY16 represent those assigned to cyber units performing cyber as their primary mission. The rest encompass the Signal Soldiers assigned down to the unit level who perform their cyber security mission in support of the overall

DoD information network. While not assigned as "cyber" Soldiers, their oversight and defense of the network must comply with the cyber effort in order to enable our layered defense.

⁶⁶OCAR G-3/5/7 (FWD). These 800 Army Reserve Cyber Soldiers are current Army Reserve assets plus TAA 16-20 wedge (ARCOG, Wedge (~400), DISA ARE, & 1st IO Command 'ARE').

⁶⁷2012 *National Defense Authorization Act*. In 2012, Congress provided the Department of Defense with new Reserve Component access authority in 10 U.S. Code § 12304a. This authority cleared the way for the Army Reserve to assist our fellow Americans during domestic emergencies when federal assistance is requested by the Governors through the Federal Emergency Management Agency.

⁶⁸Joint Publication 3-0, *Joint Operations*, 11 August 2011, p. I-5.

⁶⁹The Army Reserve also provides 100 percent of the Army's Emergency Preparedness Liaison Officers (EPLOs) and 33 percent of the DoD EPLOs. EPLOs coordinate military assistance to other federal agencies and state governments. These Army Reserve EPLOs maintain communications between the DoD, federal, state, and local governments, and nongovernmental organizations to coordinate assistance between all parties during emergency response events, serve as subject matter experts on capabilities, limitations, and legal authorities, and track Army Reserve assets in their states and regions.

⁷⁰According to recent studies by RAND, the Reserve Forces Policy Board, the Office of the Secretary of Defense, and the Center for Strategic and International Studies, the cost of an individual drilling Reservist who serves 39 training days per year is about 15 percent of the cost of an Active Component Service member. And a Reserve Component service member on active duty for an entire year costs about 80 to 95 percent as much as an Active Component member, although deployment costs are about the same.

⁷¹Defense Video & Imagery Distribution System, *Northern Louisiana Care 2014*, <http://www.dvidshub.net>, 8 Jul 2014.

⁷²*Ibid.*

⁷³*Ibid.*

⁷⁴U.S. Army Homepage, *Reservists Assist Underserved U.S. Communities through Innovative Readiness Training*, <http://www.army.mil>. "First authorized in 1993, IRT allows reserve-component Units to hone their wartime readiness through hands-on training, while simultaneously providing quality services to communities throughout the U.S. The Army Reserve's most recent mission took place on Fort Belknap, a geographically isolated Indian Reservation in north-central Montana. There, 33 Soldiers from subordinate units of the West Medical Area Readiness Support Group augmented the Indian Health Services Hospital. Named Operation Walking Shield, the mission began July 21, and concluded Aug. 1. The Army Reserve staff consisted of eight different medical specialties to include lab technicians, dentists, physicians, critical care nurses, behavioral health specialists, optometry technicians and podiatrists. The augmentation of these Army Reserve medical personnel greatly enhanced the Fort Belknap Hospital's own medical staff of seven, enabling the clinic to nearly double the care it provides to the more than 5,000 members of the surrounding tribes. By conclusion of the exercise, the Army Reserve Soldiers treated more than 900 patients."

⁷⁵*U.S. Army Reserve at a Glance*, 2014, p. 8. "\$8,258,105,000 dollars spent; \$18,459,516,579 economic impact; \$5,386,489,000 in non-DoD wages; and 167,006 non-DoD jobs."

⁷⁶A significant portion of the Army's key support units and capabilities such as logistics, medical, engineering, Military Information Support Operations (MISO), and Civil Affairs reside in the Army Reserve.

⁷⁷This figure is an average derived from the rotational units with available force pool dates. The number changes slightly year to year.

⁷⁸Lieutenant General Talley, *Army Reserve Panel*, AUSA Annual Conference, 13 October 2014.

⁷⁹TRADOC Pamphlet 525-3-1, *The U.S. Army Operating Concept, Win in a Complex World, 2020-2040*, 7 Oct 2014, p. iii.

⁸⁰*Ibid.*, p. iii-iv.

⁸¹*Ibid.*, p. iv.

⁸²*Ibid.*

⁸³*Ibid.*, p. 19-20.

Mr. FRELINGHUYSEN. And I thank all of the Generals for their testimony this morning.

And thank you, General Talley, for raising the Irish profile a little higher today. May I say we probably wouldn't be an independent Nation unless George Washington were able to count on the Irish brigades.

A very high percentage of those who fought with Washington were of Irish heritage. A lot of people don't know that. But we never would be the Nation we are today without that incredible contribution. So let me thank you for mentioning that.

I yield to Mr. Crenshaw.

REMARKS OF MR. CRENSHAW

Mr. CRENSHAW. Thank you, Mr. Chairman.

And thank you all for being here today. Welcome back. We are going to discuss some of the challenges that you all face every day.

And, first, let me pass along a message to you. I served in State government before I came to Washington. And a lot of my colleagues also served in State government. In fact, 5 days after I became president of the Florida Senate we had something called Hurricane Andrew, which, at the time, was the largest natural disaster in our Nation's history.

And so I can tell you that me, along with a lot of the colleagues that served in State government, all sleep a little better at night knowing that the Guard and Reserve are ready at a moment's notice to deal with not only natural disasters, but just about any kind of problem that occurs around the world. So I wanted to pass that along to you.

And now, as a Member of Congress that represents just about every area of the Guard and Reserve in my district in north Florida, I clearly see firsthand what you bring to our national security. And I think everybody in this room appreciates the work you do.

F-35 PROGRAM

Let me ask General Clarke a question that deals with the F-35 program.

As you all know, there are plans to have F-35s at four units around the country with the Air National Guard, and it concerns me a little bit when you see the delays that have taken place in the F-35 program. Now we see the problems with the sequester that maybe is going to drastically cut what the Air Force has.

And I guess I am concerned that the Air Force might sacrifice the Air National Guard F-35s before they reduce any of their active squadrons, and I think that would be a move that wouldn't be in the best interest of our national security. I don't think it would be smart strategically. I don't think it would be smart fiscally.

But, General Clarke, I want you to talk about that, why you think that basing F-35s with National Guard units around in those four areas—why is that smart, both tactically and fiscally? And then tell us what you think the right number of F-35s that are needed with the National Guard so they can remain proficient.

And then, finally, maybe this subcommittee will want to know any tripwires that you might see that—any signals that we might

be seeing from the Air Force that maybe they are moving in a direction that would be against the plan to actually house them with you.

So can you touch on those three aspects of that F-35 program.

General CLARKE. Yes, sir. I would be happy to.

Of course, the F-35 is an important airplane for the future of the Air Force and for the Nation. It is truly a fifth-generation fighter. So it goes beyond what fourth-generation capabilities can provide today for the Nation.

With regard to your first part about why it is important for Air National Guard units to have them, we are a warfighting component of the United States Air Force. That unit I was talking about in Afghanistan previously was an Air National Guard unit that did this deployment on their own with no support from anyone with regard to other units coming in and backfilling them, rounding them out. They mobilized from their home station, didn't go somewhere else to get spun up for this. They went direct to the combat fight, a proven choice for warfighting operations.

Every single one of our units reflects that same capability. Why? Because previous senior leadership of the Air Force made sure that we could do that. So when we talk about the bed-down of new platforms, recapitalizing the old ones, replacing fighters that are approaching 30 years of age on into 40 years by the time we get into the F-35 program where we start delivering the numbers, I think we are going to see the appropriate recapitalization of the Guard in parallel with the United States Air Force. That is a full part of the plan.

In fact, the first unit has already been announced up at Vermont, where we are going to put in Air National Guard fighters there. What we are doing is we are wedding a lot of expertise that the Guard brings and experience with newer people that come into the regular Air Force at these units.

So we will have active associations, Active-Duty members flying with the Air National Guard at every single location we bed these down, Air National Guard-assigned aircraft, largely Air National Guard doing it, particularly maintenance, which is important, and our pilots. But we will see regular Air Force bedded down with this, also, wherever those units are identified. So I think it is important that we do that for the future.

And, by the way, we operate 15 of 16 air defense sites over the Nation, also. We nearly have 100 percent of all of the air defense capability over the Nation on a daily basis in the Air National Guard, another reason why it is good for the bed-down.

With regard to the number of airplanes, the program of record is 17,063 for the Air Force at large. I think that we will see the Air Force recapitalize us on par. So we will have the appropriate percentage of airplanes given to the Air National Guard for all the great reasons I just talked about. And the Air Force counts on us for future operational reserve to support all the things we do at home and overseas.

And with regard to the plan, I see nothing that breaks that plan apart for the future. The Air Force is fully invested in making sure that we do get the appropriate number of squadrons of F-35s as they deliver off the factory.

Mr. CRENSHAW. Thank you, Mr. Chairman.
Mr. FRELINGHUYSEN. Mr. Ruppertsberger.

REMARKS OF MR. RUPPERSBERGER

Mr. RUPPERSBERGER. Thank you, Chairman Frelinghuysen. I am glad to see your green tie today, acknowledging our Irish.

Mr. FRELINGHUYSEN. I actually wear green on other occasions, too.

Mr. RUPPERSBERGER. Oh, well, that is good.

So I assume that you are very preppy, then, if you wear green a lot. Okay. Let me go into my question.

Mr. FRELINGHUYSEN. It is from your time.

Mr. RUPPERSBERGER. First thing. As Congressmen Crenshaw said, a lot of us served in either local government or State government. I was in local government for 17 years as county executive where we had to deal with the front lines, severe snowstorm, national disaster. And it was great to have the National Guard behind us at all times and your expertise and readiness. And, also, I acknowledge your readiness in Iraq and Afghanistan, too.

I want to point out, in the severe snowstorm where this government was closed, all of my meetings were canceled except for one, and that was General Grass. So the National Guard comes out in really bad weather, too. And we discussed a lot of issues.

C-130 AND A-10 TRANSFER

I am going to get into one of the issues that we did discuss, and that is the C-130 airframe. It is very important, I think, to the future. The C-130 airframe is very important—and this is to you, General Grass—to the future of the National Guard.

For my district, the Second Congressional District of Maryland, this airframe is especially important. If the A-10 airframe is eventually divested by the Air Force, which I understand is what is happening, and the C-130s are not procured by the National Guard, the Air National Guard unit stationed, again, in my area, Warfield International Guard Base, will be without a flight mission.

So my question to you: Please provide details on what efforts are underway to ensure that the National Guard can effectively compete with big Army for the updated C-130J model for this airframe?

And, additionally, please explain to the committee the detrimental effects on airlift capability for the national capital region, this whole region, if the C-130J airframe is not procured by the National Guard.

I am going to ask you a question, if I have time afterwards, about sequestration—I do it at every hearing—the negative effects it will have on the National Guard and your ability to do your job for the citizens of our country.

General GRASS. Congressman, I will ask General Clarke in a minute to talk more details on the C-130.

But I will tell you that our relationship, as General Clarke mentioned, with the Air Force after the publication of the National Commission on the Future of the Air Force has been phenomenal.

And I credit General Welsh and Secretary Deborah Lee James every step of the way.

When we talk about modernization, recapitalization, it is not like the Air Force considers the Air Guard or the Air Force Reserve an afterthought. We are right up front. Not only are we right up front, we have a three-member panel that advises General Welsh, one active Air Force General officer, one Reserve Air Force General officer, and one Air National Guard General officer.

They have been on duty now for almost 2 years. We rotate them. And they look across the board both for the overseas requirements for tactical airlift and combat airlift, as well as they look at the homeland for us. We have got a study underway right now taking a deep dive into what you mentioned, sir, and really taking a serious look at what timeframes do we have to respond in on some of the major disasters that we might get called into.

And the C-130 is a workhorse. You know, originally, we were going to have the C-27J aircraft that's smaller than the C-130, but it was going to be a premiere for the homeland. The decision was made not to field that to the Guard. So the C-130 now even becomes more important because we had a different aircraft in the Army Guard before called the Sherpa C-23, very small, but very capable for responding, moving people, moving equipment, moving supplies, emergency responders in a disaster. So we are heavily invested for the future in the C-130.

I will ask General Clarke to talk more.

General CLARKE. Congressman, with specifically Warfield, the plan is, under the Total Force Proposal in 2015, if the Air Force is successful in divesting the A-10 fleet, they do plan to backfill capability at all of them, including your location that you are talking about, and the current plan is to put C-130s, J models, into Warfield if they divest the A-10s.

NATIONAL CAPITAL REGION

Mr. RUPPERSBERGER. Now, how about the question I asked about the detrimental effect to the national capital region. Explain what the national capital region is and, if we don't move forward with the C-130J, how that can have a negative impact on this region.

General CLARKE. Yes, sir. In our discussions with FEMA and others, this is a complex problem here. Ground movement in the national capital region is——

Mr. RUPPERSBERGER. What is the national capital region, for the Members?

Mr. FRELINGHUYSEN. Could you move your mike a little closer so we could——

Mr. RUPPERSBERGER. What is the national capital region? If you could, define that and then the impacts.

General CLARKE. Pretty much, I think, where WTOP covers with their radio.

Mr. RUPPERSBERGER. Okay.

General CLARKE. You can almost be——

Mr. FRELINGHUYSEN. No advertisements here, please.

General CLARKE. So I think it is the broader area. It is the people who also support the national capital region. They may live immediately outside the national capital region.

But in our discussion with FEMA and others, it is the speed of response that is important. It is not just in total number of airplanes out there across the Nation that can respond. It is the speed of response that we can get those airplanes to the location where either we are going to have to do the search and recovery efforts, immediate medical evacuation, other things that will have to be done.

That is a fairly large footprint for us in the Air Force to do that. Having airplanes close by, it is actually quite helpful because they are already there. But it could be a staging location for other operations as well if it is not part of the collateral damage or the damage of the event that might happen in the national capital region.

Mr. RUPPERSBERGER. Yield back.

Mr. FRELINGHUYSEN. Thank you very much.

Let me introduce one of your own, Congressman Womack from Arkansas.

REMARKS OF MR. WOMACK

Mr. WOMACK. Thank you, Mr. Chairman.

And, again, what a great honor it is to have these four gentlemen and the folks behind them, including the Chief's beautiful wife.

It is great to have Pat here today.

And, Mr. Chairman, you and I and Mr. Calvert just recently returned from a trip overseas where we had an opportunity to spend some time with members of our National Guard, the first of the 112th Cav squadron down in Sinai, Egypt, my old stomping grounds.

And I am happy to report that they are doing a great mission and the one that the National Guard has been blessed with now for a number of years and, I think, rotating back and forth with the Army. I think the Army has it again after the Cav squadron leaves. But they are doing remarkable work, and I think it is illustrative of the capability of this organization.

I would like to call attention to—noteworthy is the fact, as we just talked about—the relationship between the Reserve components and our Active-Duty counterparts is a pretty remarkable relationship. I don't think anybody would disagree with that.

There is, however, an ongoing discussion and a bit of a conflict brewing that I want to drill down on just a little bit. And I am going to throw this question to General Lyons.

And, General Grass, if you want to weigh in, I certainly would like to hear your thoughts on it.

AVIATION RESTRUCTURING INITIATIVE

But it is about ARI. It is about the Aviation Restructuring Initiative. And the Army is claiming in all of their reports of these several billion dollars that they are going to save. And so, on the surface, to me, this restructuring initiative looks like that it is kind of a bill-payer for the potential effects of sequestration and cuts in our defense structure.

However, in kind of drilling down on this subject, it looks like—and, General Lyons, maybe you can help enlighten us a little bit—it looks like that a lot of savings, the vast majority of the savings,

they are claiming aren't even going to be realized until out in the—beyond the 2019 and 2020 timeframe. It is my strong opinion that there will be many changes to what we are doing in defense between now and then based on threats and budgets and what have you.

So help me understand, General Lyons. If Apaches were to remain in the Army National Guard, would the Army truly be lacking in the capability entirely or are your Apache pilots able to perform the mission that involves the Army's manned-unmanned teaming concept?

It is a concern of mine that we have got a major change that is brewing. We have patched it a little bit in the 2015 process. But in fiscal year 2016 and beyond, this is going to be a major issue. So help me understand.

General LYONS. Congressman, thank you.

The Aviation Restructure Initiative, as you have outlined, does have cost avoidances with it that are—that are scheduled as a part of that program. I will tell you, in answer to your question about the complex operations, our National Guard aviators have always conducted complex operations. They have spent the last 13—almost 14 years of doing that, and they are fully capable of doing that in the future.

Mr. WOMACK. Very good at it.

General LYONS. Yes, sir. They are extremely good at it.

So as we speak to the Adjutants General, in particular, on this, one of the concerns is—that they have voiced is one that you have hit on, and that is the ability to have capability and provide strategic depth when that capability is needed. So as we are currently postured with the airframe in both components, we allot—that facilitates that strategic depth. That is what the Adjutants General have mentioned on numerous occasions.

So we are fully capable of conducting those operations. We have over the course of the war here. And given the quality and experience of our aviators, we would continue to do so.

General GRASS. Congressman, if I could add that, you know, the bulk of the savings are already moving forward, the changeout of the trainer at Fort Rucker, which we all agreed to, the changeout of the Scout aircraft. We have 30 of them in the National—or we had 30 of them.

Our last unit just got back. Tennessee Army National Guard unit came back. I saw them in November doing great work, but they knew that it was a platform that we would go along with the Army and divest them.

The Adjutants General and the brigade and division commanders have expressed to me a concern that, when we bring our Apache fleet completely down to a level that is proposed in ARI, that they will not be able to train with them anymore in the future, which further pushes them to a strategic reserve. But the bulk of the savings will be realized in, really, two-thirds of that program.

Mr. WOMACK. Well, the math that they are using leads me to believe that it is not necessarily being done for fiscal reasons, but more for operational ones, and that deeply concerns me, as a Member. I will come back to this subject and others. I know I am out

of time. But thanks for your response and for hearing me on the subject.

Mr. FRELINGHUYSEN. Committee shares your concern.

Ms. McCollum.

C-130S MODERNIZATION

Ms. MCCOLLUM. Thank you, Mr. Chair.

I am going to go back to the airframe and a little bit on the C-130s. And I am very concerned—

Mr. FRELINGHUYSEN. Ms. McCollum, if you could just move your microphone a little closer, please. Thank you.

Ms. MCCOLLUM. I am concerned about the older H models of the C-130s. They deliver the troops. They deliver the supplies. I mean, it might be the Air Force flying them, but the Army is dependent upon them getting there.

And I am concerned because, for the past 13 years, the Avionics Modernization Program has been designated to upgrade the C-130H fleet to ensure that there is compliance with the national, national, and international regulations before 2020.

Now, our Air Guard base is adjacent, as most Air Guard bases are—in close proximity to international airports. So I am concerned about the C-130 modernization efforts made under AMP.

I would especially like to know if these modernization efforts are going to result in compliance with the FAA and international regulations before 2020.

I want to know what is underway to make sure not only the Air Guard in Minnesota, but all across this country, are going to be in compliance where not only, as I said, here in the United States we need to be in compliance, but we need to be in compliance internationally, too, as we fly with our NATO partners and we fly in international air.

So what can you tell me that is going to assure me that we are going to be on time in 2020 with all of the C-130 aircraft good to go?

And what does this committee need to do to make sure it is there? Because we can't have you waived off an airport saying that you can't take off because you are not in compliance.

General CLARKE. Yes, ma'am. Important question.

The Air National Guard operates a lot of the legacy airplanes, C-130Hs. So this is something that concerns us as well, recognizing that the mandates, like you mentioned, both domestically and internationally to comply with the management that is necessary for future air operations, requires these airplanes to be modified. There is no way around this. We have to do this. Indeed, there are multiple airplanes in the United States inventory that need the same modification, not just the H models in the C-130 fleet.

The plan right now is that is top priority one for modernization of C-130s. We have got to get on with at least that part of the modernization in order to meet the compliance date of 2020 for operations in air space domestically and overseas.

After that, then there is other modernization programs that would be, I would say, second tier to that one, but that one has got to come first. So the Air Force is committed to putting the resources behind this compliance issue in order to make sure that we

are compatible with the requirements for domestic and international operations.

And, in my mind, one way to make that happen is to not just count on, like, one vendor to do that. We are going to have to have multiple vendors in order to make sure that we can implement this program or modify the airplanes in time to meet that mandate. Otherwise, they won't be able to operate in this air space.

Ms. MCCOLLUM. So we have got 5 years to do it and there is a plan? There isn't a plan unless we change the way we are doing it right now? Is that fair to say? If we keep doing stay the course, we will not make the 5-year deadline for all the aircraft?

General CLARKE. Right now we got a little bit behind because of the issue of whether or not the AMP program was going to be used or not. All of the Adjutants General that have them in their States today agree that we need to get this first compliance issue completed and then we will start worrying about other modernization programs. I believe this Nation can do whatever it really wants to in regards to modifying airplanes, depending on what the pressing priority is to make it happen.

I know that the Air Force realizes that we have that capability, that they are going to make this modification alongside with us to make sure it happens in time to meet that 2020 mandate. Ma'am, it is absolutely priority one for all of us in the Air National Guard.

Ms. MCCOLLUM. Well, Mr. Chair, I am—you know, with sequestration, we don't know what the budget numbers are going to look like in decisions that we need to make. I would think that we would want to have all of our aircraft capable of flying within the United States and flying internationally, so to make sure that the committee knows what the schedule is going to be and we do what we need to do to make sure that this happens.

This isn't about picking, you know, favorite bases or, as the General said, I used the C-130 as an example. It is about making sure that all of our aircraft are able to be up in the air and flying as needed.

Thank you, Mr. Chair.

Mr. FRELINGHUYSEN. Thank you.

Mr. Graves.

CYBERSECURITY

Mr. GRAVES. Thank you, Mr. Chairman.

Gentlemen, it is a privilege to have you before us today. And let me just, on behalf of the committee, thank you, as you have heard previously, for all you do in providing readiness to the good men and women in each of our States and as it relates to the Guard and Reserve units. And you have got a tough task ahead of you. I know we have discussed that.

And I want to change gears a little bit. The committee is certainly concerned about a lot of the equipment of old and the past a little bit, and I want to step and look to the future some and talk a little bit about cybersecurity as it relates to a GAO report that recently came out—and I know you all are familiar with it—that they estimate that there is currently a need for 40,000 cybersecurity professionals just to satisfy the government's demand.

And that is a tremendous number. That is a huge number. And I am sure each of you agree that these are skill sets in the cybersecurity realm and beyond that reservists and guardsmen are prime to fill based on the skills that they have developed in their own civilian careers.

So, General Talley, you have commented in the past that the demand for cybersecurity professionals and cyber-experienced soldiers far outpaces the current inventory.

Could you share with the committee and maybe elaborate on some of the Army Reserves' initiatives that are being pursued to help recruit some of the most talented individuals with the particular skill sets that are going to be required in the future.

General TALLEY. Yes, sir, I will. And thank you for the question.

Recently, the Army Reserve, as part of our private-public partnership, launched an initiative here on the Hill with support from members and their staff as well as six universities and the private sector where we have brought together the best from the private and public and academic sectors to say, "How can we take the already strong capability in cyber in the Army Reserve and leverage it with, again, the academic and the private sector?"

And that just started—we just launched that about a month ago, and it was at that event where I was citing the same report that you just cited that we are showing about a need for 40,000 more professionals in this area.

Well, the Active component has a plan to engage and train their own cyber warriors and are starting to recognize that the Army Reserve—and I think the Reserve components, in general, can contribute a lot more than we have been asked to contribute.

In the case of the Army Reserve, to run the numbers real quick, I have almost 7,000 cyber warriors—or cyber-related warriors. That is my military intelligence capability under the only one-star MI command in the Army called the Military Intelligence Readiness Command. They provide offensive support to the National Security Agency, of course, above a TSI level.

On the defense side, in protecting the platform, which is the Department of Defense Information Network, that is signal capability. And I have a two-star command, the 335th Signal Command, that has a lot of those cyber units under it. So they protect the platform. They do defense. And then the MI folks do offense. Put all of that together, we have a tremendous capability.

Then we also have reinforced with subject matter experts the USMA West Point Cyber Institute with expertise. And in addition to the public-private partnership I mentioned, we are creating IMA billets, individual mobilization augmentees, in the private sector. So I would have an Army Reserve billet in Google, in Microsoft. And all of that together provides tremendous capability, and we are pretty pleased with the way it is going.

Mr. GRAVES. That is good. Well, thank you for that clarification.

And you feel comfortable with the path that the Reserve is on and moving towards filling that gap? I mean, that is a tremendous gap. I know that is in totality, 40,000 for government. But you feel good with the direction that you are able to work within?

General TALLEY. Yes, sir. Absolutely.

I want to highlight—there was a classified competition not too long ago at MIT's Lincoln Labs, and we had our Active component folks kind of paired up against our Reserve component folks, Guard and Reserve.

And let's just say the Reserve component guys pretty much kicked butt because, during the exercise, the RC folks were actually writing code in their head during the competition as opposed to just responding.

The expertise of the Army Reserve not just in cyber, but across all of our areas—the reason we are so sharp is because they stay sharp because they learn that and stay focused from private-sector experience and then they bring that in the Armed Forces. In my opinion, we have got to leverage a lot more of that capability.

CYBER PROTECTION TEAMS

Mr. GRAVES. Right. Thank you. And I appreciate your focus on that area. I think that is an area that this committee and others will continue to point towards as a focus that is required of the defense side.

And then one final followup, General Lyons, if you don't mind. I want to first thank you. We are very pleased in Georgia to have been selected as one of the locations for the National Guard cyber protection teams and strongly believe it was a right decision, good decision, given the talent pool by the universities and the industry in the State.

In your view and maybe for our committee a little bit, can you describe to us what is the importance of guardsmen or the role, as you may see, in meeting the cybersecurity needs from your perspective on an ongoing basis and into the future?

Because this is very new for a lot of our constituents, to know that—cyber warfare and cybersecurity. We all know it from a personal perspective. But from a national defense perspective, your view of the role there.

General LYONS. Thank you, Congressman.

As you noted, the Army National Guard, the National Guard at large, has made fairly substantial progress in 2015 year in what we call cyber protection teams. So we have currently one full-time Title 10 Active-Duty cyber protection team.

And, as you have noted, we recently announced the first 3 of 10 traditional Guard teams. So these are part-time men and women that will bring their civilian skill sets, like General Talley highlighted—bring those skill sets with them to these teams.

Between the cyber protection teams and, in the Army National Guard, computer network defense teams that we have in the 54 States, territories in the district, which are really protect-the-network kinds of teams, we think that we are very well postured for the future in cyber defense. And I think that is important, Congressman, that we continue to have structure like that in the Reserve component.

I will speak colloquially for the National Guard. As the Active component stands up their cyber mission force and we invest tremendous amount of dollars in training and education for those men and women, should those men and women decide that they want to continue service, but perhaps pursue a civilian career with infor-

mation technology industry and industry like that, we offer them a place in the National Guard and the Reserve to continue their service, but do it on a part-time basis.

And so we harvest those dollars, the training, the education, and development by allowing them to continue to serve. So the cyber protection teams in the Army National Guard are a part of that, and we look forward to standing up the remaining seven.

Mr. GRAVES. Okay. Great.

Well, thank you again for your service and, again, the adaptation to the future demands that we will see as a country. Thank you.

Mr. FRELINGHUYSEN. Thank you, Mr. Graves.

Mr. Ryan and then Mr. Calvert.

ADDITIVE MANUFACTURING

Mr. RYAN. Thank you, Mr. Chairman.

Two issues, two questions, one more of a comment and the other more of a question to all of you. In my congressional district in Youngstown, Ohio, we have President Obama's first Manufacturing Innovation Institute, it is additive manufacturing, three dimensional printing. We are working with the Air Force and the Air Force Reserve in partnership with the University of Dayton to figure out how to use this new capability, this new technology called additive manufacturing to help us reduce costs for replacement parts and to help save money for the military, and specifically, the good deal of money that we spend on replacement parts, whether it is in the Air Force or another branch.

So I want to bring that to your attention, because I think it is ripe for a partnership with all of you as well, as we continue to move, because every hearing we have here, it is about money, it is about budgets, it is about what we don't have, and we have a technology coming online that the Department of Defense is in partnership with the Department of Commerce, Department of Energy to figure out how to drop the costs for a lot of this where you would be able to print, literally print a part for an airplane in theater or a truck or a tank or whatever. And when you factor this capability into our long-term budgets, I think we can save a lot of money.

So I wanted to let you know that the Youngstown Air Reserve station, the 910th, is participating in that, the Air Force is participating in that in conjunction with the University of Dayton. So I wanted you to know that, because I think there is room for a broader partnership here throughout the military.

SUICIDE

I wanted to ask about the issue that I know everyone cares about. First I want to associate myself with Mr. Graves' questions. I think the issue of cybersecurity is a huge one and I am glad he asked that and peeled off the onion a little bit on that. I want to talk about the issue of suicide, and I just want to pose one question to all of you. I am looking at, you know, some of the statistics that are here, Army Reserve had an increase from quarter two to quarter three of 2014 of 11; General Talley, and the National Guard has seen a slight bump as well.

These numbers are still really high. And I wanted to ask each of you, are there programs that you have gotten rid of? Are there

programs that you are highlighting now? Are you trying to push men and women into that you are seeing more benefit and seeing some impact, because it is still amazing to me today that these numbers are still this high, and it seems that we are not getting to the levels we certainly need to get at.

So if each of you can just briefly comment on what is working, because I think it is important for us to know what is working as we are figuring out where to spend some of this money.

General LYONS. Congressman, thank you for the question. And share your concern and the committee's concern with the behavioral health posture and support to our men and women that serve, and our efforts at suicide prevention. So I would like to address this in a couple different ways, if I could.

First, I would like to say that this is a leadership priority in the Army National Guard, the adjutants general, myself, in the 54 States, territories, and the District. We are approaching this from a holistic and team-based approach. And thanks to Congress, beginning in 2014, we were able to hire 78 full-time psychological health coordinators out in the 54 States, territories, and the District. That gave us a ratio of psychological health coordinators to soldiers of 1 to 4,500 in 2014. Again, thanks to Congress's support, in 2015, we were able to double that number to 157 psychological health coordinators. That reduced that ratio from 1 to 4,500 to 1 to 2,000.

Now, we think the Army actually has this right. The Army's goal is to get to a 1-to-333 ratio of psychological health coordinators to soldiers, so with continued support, we will continue to pursue that.

I talked about the holistic approach. We see an at-risk population out there that is a younger generation, so we are rolling out a Guard-ready application for smart phones to try and tap into our most at-risk population, but it really goes beyond that. It is a team-based approach. And when I talk about that, I talk about our chaplain corps that is available 24/7 to help our soldiers and family members. It is those first line leaders in the units; it is those psychological health coordinators that I talked about; but most importantly, perhaps, it is their fellow soldiers, the young men and women that serve with them.

We have devoted a tremendous amount of time in training so that they can recognize signs of stress, signs of crisis, escort that person to care. We have seen a 27 percent increase in interventions in suicides with folks that have suicidal ideations and we have increased our trained force by 25,000 in the last year in the intervention skills training.

So we think that with the increase in interventions, we are seeing a decrease in the number of suicides. In calendar year 2013, we had 120 suicides in the Army National Guard. In calendar year 2014, that was down to 76.

So we continue to work to reduce stigma, we continue to work to train our men and women to be there when their fellow soldiers need them, and to support their families. And I want to thank Congress's support for our ability to do that.

General TALLEY. Sir, thank you very much for the question. It is a very important area. I think we have some good news to report

in the Army Reserve. This year, in calendar year 2015, we are at five suicides, which is a downward trend from where we were last year. At the end of calendar year 2014, I had 40 suicides. That is a 30 percent decrease of where we were from calendar year 2013. In fact, our suicide rate and levels are the lowest now they have been in over 5 or 6 years.

Having said that, we are not happy where we are, we have got to continue to drive those down. So—and I have testified to this a number of times, so I am actually real comfortable and pleased to get the question again. When I first got on the job as an engineer, business guy background, I thought I should be able to tease out where the population was, so I thought the people that are killing themselves in the Army Reserve are people that aren't actively engaged in the Army Reserve, they are not involved in family programs, you know, they are absentee employees.

I was wrong. Spent about 6 months researching that. I own almost all the doctors and nurses in the total Army. They are in the Army Reserve. I own also most of the mathematicians. So as I drilled down on that, who is killing themselves in the Army Reserve: predominantly young males, never been deployed, and they come to drill, and you think they are model soldiers, and in some cases, their families may be participating in family programs. Why are they killing themselves? Number one reason, failed relationships with their—with a spouse or a girlfriend or a boyfriend; second reason, right there close, financial stress.

So how have we been getting after it? Using the Army program, but also an Army Reserve program. So first off, we look at the Army Reserve as a family, and so part of the Army funding that is come from you and others have allowed us to create these directors of psychological health and our RSEs, also to put in place the suicide prevention program managers that Judd mentioned, but also we have a great program called Forward Family. 24/7 a day, you can call Forward Family. They are not part of the chain of command. So they might get a phone call for someone who is thinking about suicide, and they often do, or sharp issues, who won't feel comfortable for whatever reason going to their chain of command. That is showing tremendous success in having us intervene and help people before it is too late.

The other program that we have implemented is a life skills coping program. So I had Dr. Bryan Kelly, who is a clinical psychologist who commands—a two-star that commands my Army Reserve medical command, I had Bryan look into this, and he looked at—it is really an issue of lack of coping skills. So, again, I don't want to hog more time than I already have, but we are trying—we have to create—teach people how to cope with stress today. For whatever reason, they don't seem to be able to cope the way that previous generations and populations have, according to the psychologist. So we have created a life skills coping skills program in partnership with academia, and we are starting that program throughout the Army Reserve. We are seeing success.

PSYCHOLOGICAL HEALTH PROGRAM

Mr. FRELINGHUYSEN. Okay. Briefly, General.

General CLARKE. Briefly indeed, because I am going to parrot both of their comments. What I get from my wing commanders is that the director of psychological health program, having these people embedded in each of our wings, we have 89 of them in the Air National Guard, is probably the keystone to all of it. They have made efforts, they ensure that there is appropriate focus, they talk to individuals. So that is a—but to go a bit further just on the—

What General Lyons indicated about the soldiers themselves, you know, with the airmen, they all know that they are sensors; every single one of them is a sensor to what is going on, and they sense things either at drill, they also sense things when they are off with their civilian employees and with their families, and they are watching things like Facebook and all that.

They know—we told them when to watch out. And we don't do this through computer-based training modules anymore, we don't send our airmen to go look at a computer to figure out whether it is how do you be a better sensor for things like suicide prevention. We tell them face to face now, eyeball to eyeball, what you need to know, how you need to respond, and who to contact. And that, we think, is a good intervention effort in itself.

We are down-trending from our efforts, but even one of these suicides inside of a unit is devastating to the readiness and morale of that unit.

Mr. FRELINGHUYSEN. Okay. Thank you, Mr. Ryan. It is a critical issue. It is one that the committee has invested in, and we will continue to invest in it. It is very important.

Mr. Calvert.

UAVS FOR FIRE FIGHTING

Mr. CALVERT. Thank you, Mr. Chairman. And I apologize for my tardiness. We had an Interior Appropriations meeting on at the same time, so—but I appreciate General Lyons, General Clarke, General Grass and General Talley for being here, and thank you for your service. All of us understand your challenges you face, and we look forward to working with you to support the men and women of our Army and Air Force Guard and Reserve.

In the job that I have on Interior Appropriations, we deal a lot with wildfire in the west. Wildfire is as catastrophic as a tornado or a hurricane or earthquake to many parts of the country. And in 2013, during the Rim Fire, which was over by Yosemite National Park in California, the MQ-1B Predator was utilized for fire mapping and perimeter spot fire detection. It was highly successful in aiding the firefighting efforts on the ground. The State of California was the first State to utilize UAVs in support of a State emergency. The after-action report showed that the UAVs took off several days of containment time, saving money and possibly lives in a fire as catastrophic as the Rim Fire, which the cost of that fire was well over \$250 million to extinguish that fire, days, not as extremely—not just the cost, but the amount of land that is consumed by fire.

However, it did take a huge effort on the part of Congress to help move along the authorization process for the Predator to be utilized in a State emergency situation. Many members personally called the Secretary of Defense, I actually called him on an airplane going

somewhere, and asked Secretary Hagel to personally, on a piece of paper on the plane, would he please sign off on this thing, because we need to get on this right away.

It took 3 days to get the U.S.—use of the UAVs to be authorized, 3 days. And at that time, we said, look, that is—you know, in a fire that catastrophic, that can take a lot of lives, a lot of land and a lot of money. And so there was talk about efforts to streamline that authorization process to utilize National Guard UAVs during a state of emergency.

So I am going to ask the question, have we got that problem resolved so—this summer, I am afraid, we are going to have a lot of catastrophic fires.

General GRASS. Congressman, if I can start, and I will turn it over to General Clarke. I was on the other end of the phone when we got the approval to put the MQ-1 up there from California, and it was a game changer, as you said, sir. We worked with the National Interagency Firefighting Center, we worked with the FAA, with Cal Fire, and the Secretary's office and Northern Command to get approval. We learned so much about that, that platform and being able to take the live video feed and infrared feed some nights right into the command center so the incident commander knew when a flare popped out that they could get on it quickly versus waiting to see a large scale fire break out.

We also found that the ability of the MQ-1 to rely on the—a repeater that we put on it, a communications repeater so that the firemen on the ground in this very rough terrain where they can't communicate, can now communicate better.

We are still working through the approval process. As you know, there are many concerns from a—you know, citizens of being able to—the military looking at the citizen on the ground and anything to do with the UAV, human protection, you know.

The one thing that I think will make some progress on definitely with the Forest Service and others where there aren't much of a population out there, those will be much easier, but we have a lot of detail to work through. I will ask General Clarke to comment on this, but this is a game changer, and I know the National Interagency Firefighting Center is very, very concerned that we have it up and ready for this fire season.

General CLARKE. I agree with General Grass's comments about the sensitivity. We don't call it an ISR asset at this point, it becomes an incident awareness asset, and you have to go through the proper channels, the proper use memorandum has to be agreed upon, the Secretary of Defense has—anything that streamlines that, obviously we need to get the appropriate authorities to make that happen, but we do want to share that the citizen on the ground realize that our objective is to protect their life and property, and we have no interest in doing anything beyond that with these platforms.

With the proper oversight, with the proper integration of the FAA and others, I think we can get there. As a former commander of 1st Air Force and Air Force's Northern, any Title 10 asset, including the Predators that we used, would have fall on their own, but I think there is a way of doing this in Title 32 under the same construct. And it would make a big difference if it was a little bit

faster in the allowance for the use of these assets in the homeland for things like the fires, earthquakes, fires, flood—we see a lot of this throughout the year, so we are a little bit closer to that as the National Guard watching it. We would appreciate any authority to speed this up in order to respond appropriately.

And the great thing about the Predator, by the way, because it is coming out of a training unit, it has an unclassified line that feeds its information to the training part of what we do, which then once it is hooked up to the network and global information piece, it can be exploited out to whoever needs to see it at that point. We have to be careful to make sure that that doesn't get into the wrong places, because people would be concerned about the over-head use of an asset like that, but I think we can control that also. So I think there is a way ahead on this, we just need to get the appropriate authorities to—

Mr. FRELINGHUYSEN. Will the gentleman from California yield?

Mr. CALVERT. Yes. Be happy to.

Mr. FRELINGHUYSEN. So to answer the gentleman's question, has this been worked out or is this still a work in progress?

General CLARKE. From my perspective and opinion, it is still a work in progress.

Mr. CALVERT. Well—

Mr. FRELINGHUYSEN. Thank you.

Mr. CALVERT. Thank you, Mr. Chairman. I hope it gets worked out pretty soon, because we are going into fire season in the West, and these—as you know, these Predators were able to locate, as the General mentioned, with the infrared camera, with the—and co-ordinate with the tanker fleet to pinpoint where the drops for fire retardants and to take these fires out very rapidly. And so this can save the taxpayer a lot of money and it can certainly save a lot of property from being burned up, so I would hope this can get worked out.

And if any language we need to do in a bill, Mr. Chairman, I hope you would entertain such a thought, because we need to get this done. Thank you.

Mr. FRELINGHUYSEN. Thank you, Mr. Calvert.

Mr. Visclosky.

F-16 MODERNIZATION

Mr. VISCLOSKY. Thank you, Mr. Chairman.

The Air National Guard is the primary force provider for NORAD for the defense of the U.S. airspace. And as I understand it, the Air Guard is responsible for 15 of the 16 fighter alert sites, including Atlantic City that is responsible for Washington and New York, but some of these units fly the oldest F-16s in the Air Force.

Generally what needs to be done to ensure that these aircraft remain fully capable? And secondly, is there specifically an R&D need as far as research and development as far as the upgrade of these aircrafts with the electronics and other assets?

General CLARKE. One of the sites, obviously in New Jersey, provides the 24/7 response for homeland air defense. What I wanted to tell you about these airplanes and the people who fly them and maintain them, it is not just air defense they do. They also deploy overseas. So anything we do to these airplanes will be used for both

the war fight and homeland operations, the air defense mission. This—upgrades that we need would be important for the surveillance and the ability to detect target threats to the homeland, and in this session, that is about as far as I can take that conversation, but indeed, it is a deficit and we need to address this.

And I think with regard to the R&D for that, the R&D has been pretty much done. Now it is an opportunity to purchase the equipment and start implementing it into the aircraft. So we have already tested some of this equipment out at our test center in Tucson, and we think that it is a perfect match with current capabilities. There are several vendors out there who would vie for a competition to implement new radars into the aircraft, but I think we are ready to go.

Mr. VISCLOSKEY. So for 2016, you don't think there is a need for R&D, or if there is, it is not a significant amount?

General CLARKE. Sir, I will take that for the record with regard to 2016 for R&D.

[The information follows:]

To remain fully capable, F-16 aircraft require active electronically scanned array (AESA) radars. AESA radars provide a critical capability for aerospace control alert F-16s to detect and track multiple airborne targets of interest in dense civilian air traffic environments near major population centers. Simultaneously, AESA radars improve the capability of ANG F-16's in close air support, surface attack and defensive counter-air. AESA radars detect, track, communicate, and jam in multiple directions simultaneously. Additionally, AESA radars eliminate several components associated with mechanical radars, thus significantly improving reliability and reducing maintainability costs.

Currently NORTHCOM has a Joint Urgent Operational Need (JUON) to put AESA radars on ANG aerospace control alert aircraft. We anticipate the USAF will fund the initial RDT&E requirement and procure a portion of the JUON required radars with current FY15 funding.

In order to exploit the full capability of the radar, we estimate the need for an additional \$75M of FY16 RDT&E for software development, and up to \$150M of procurement funds to compete the JUON radar purchase.

Mr. VISCLOSKEY. If you could, as well as the moneys that would be needed for the upgrades in 2016, that would be terrific.

General Grass, for the fiscal year 2014 budget, the Army National Guard requested reprogramming of \$101 million for military personnel training. As you know, and I think others on the panel know, the committee was not happy with the request, and just wonder what actions the Guard has taken to put controls in place to avoid a situation like that occurring again?

General GRASS. Congressman, thank you. And I thank the chairman and this committee for your great support that allowed us to get to the end of the fiscal year and still have a drill period for all of our National Guardsmen.

In August of last year, we realized that we were on a path to run out of money before the end of the fiscal year, primarily because of our tracking, and we had—as we draw down the number of forces that are deployed overseas, what we found was that over 13 years of war, our inactive duty training periods, the money was not—it had been there, but we had moved it an offset because those forces were gone.

As we come out of war, we found that we had created internally checks and balances that were lacking to be able to track that money down to the eachees by each State. So in the process, I have

established a one star in the Army National Guard that works for General Lyons immediately. He went over, he is looking at all the processes we use. The material weaknesses that we found were probably a bit decentralized, because in the past, we have had significant amounts of money, but since that account gets smaller and smaller, you have to manage it much, much closer than we ever had before. You can't wait until the last month of the fiscal year.

So what we have done, we have done an internal review with our plans programs chief, Mr. Carpenter, and he has briefed me and the adjutants general on the first phase of that internal review, and we have taken corrective action.

The second phase now will be to look at the people that are involved to make sure they have the right training and that we implement the right checks and balances for the future. But I do plan to keep the one star there supporting General Lyons, you know, for the long-term.

Mr. VISCLOSKEY. Thank you. If I could for the record, the Indiana National Guard is actually pursuing a partnership for peace relationship with Kenya. And, again, for the record, are you missing any required materials or need any additional information from the Department of Defense for Indiana to pursue that?

And, Mr. Chairman, I don't know about time. I have one more. Would you like me to wait for a second round? I will wait. I will wait.

READINESS OF THE GUARD

Mr. FRELINGHUYSEN. Okay. Well, thank you for yielding. And may I thank Mr. Visclosky for raising the profile on the good work that is done out of Atlantic City for the east coast. They do some remarkable things. And I think the committee's focus of questions, we have covered a broad range here, including Mr. Calvert's observation relative to firefighting, that the width and breadth of what you do, and I know this sounds rather solicitous, is amazing, domestically and internationally.

I would like to sort of talk a little bit about there is a feeling sometimes we are not at war, but if we are coming out of war, maybe we are getting into other wars, so I want to take a look at the role you will be playing. We seem to go back and forth in terms of whether we are reducing our force in Afghanistan or whether we are going to maintain the force or we are going to increase it, and then Congress is sort of in a—has been tossed a hot potato in terms of the authorization of military force, and whatever the force is and whatever our decisions are, you are going to be a part of that force.

General Grass, you sit on the—as a member of the Joint Chiefs of Staff, and I think Congress had quite a lot to do with that, not only because we thought it was important, but we obviously have a high regard for you and your professionalism. How do you—do you have a seat at the table as these types of issues are discussed? We know the Secretary of Defense has been over to the Middle East to sort of meet with the combatant commanders and all of the military brass over there. Where do you see your role in future hot spots, including what appears to be somewhat our more enduring role in Afghanistan?

General GRASS. Chairman, as a member of the Joint Chiefs, I do have the opportunity to participate in very senior-level discussions. And if you look back a year ago at what we knew about the world situation and what occurred within the last year was a surprise to everyone between the development, you know, of the Ebola outbreak, what was happening in eastern Europe, what happened in the Middle East almost overnight. What does that do for the Guard? Well, we have to be ready quicker. General Welch and General Odierno have told me, you have to be ready quicker. When the Ebola outbreak occurred, I mean, I got a call in a meeting from General Welch—I mean, from General Odierno, and he said, you need to be ready to go. Get us a unit. Well, luckily, you know, the response has mostly been international. The great work that the 101st airborne division that went in there, air assault division, but we would have been the next ones in.

That is on every mission out there for the Army National Guard today, is there is not much depth left across the force to respond to this many crises around the world. And I think General Clarke will tell you as well, we are in every mission and General Welch has asked us to even mobilize more now just to meet the requirements around the map, and a lot of that deals with readiness of the force, but the size of the force is down to a point where your Reserve component has got to be ready in much shorter time frames than we ever were 15 years ago.

Mr. FRELINGHUYSEN. So you are really worried about the size of the force, you are very worried about end strength, and you have obviously let the powers that be know you are concerned?

General GRASS. Yes, Chairman, I have.

TURBULENCE

Mr. FRELINGHUYSEN. And in the mix with just the issue of, you know, military specialties, I think we have talked about some of the specialties here, what areas are you weak on that need to be part of any force that could be mobilized at a moment's notice? And since many of your men and women have been mobilized a lot under multiple deployments, you probably have a pretty good handle on where you have some major gaps, I wouldn't say deficiencies, but take a look at some of the military specialties here that are essential to join the fight.

READINESS

General GRASS. Yes. And, Chairman, it all comes back to readiness. On the Army National Guard, again, thanks to this committee and many others who have modernized our equipment, but the readiness of our individual soldiers, the ability for a soldier, a guardsman to go to a school, a 2-week school or to go to annual training, we have been able to do that throughout the war so they could stay at a very high level of individual qualification. That money is gone. So that starts right there. That means that most of our units will train, as General Lyons said, at the individual, crew and squad. We need them training at platoon, company, battalion level, but that is readiness dollars that make that happen.

On the air side, sir, I think you came out very loud and clear here: It is modernization, recapitalization.

HUMVEES

Mr. FRELINGHUYSEN. Mention was made of the committee's congressional interest in Humvees, and special attention was focused on those medical equipped ones. You may have them be equipped, but in reality, you need people to man those specialized units. Can you talk a little bit about where we are here?

General LYONS. Thank you, Mr. Chairman. As you have noted, what we call turbulence that is associated with drawdowns and end strength and force structure, there are costs of that turbulence, and we see that in two different areas, personnel and material. So as you have highlighted, thanks to NGREA, we have made tremendous—I mean, it cannot be overstated the support to allowing us to recapitalize and modernize our fleets, for example, Humvee ambulances. But what I am concerned about is as end strength and force structure comes down, people are still in units, they are out in the communities, but the unit's mission may change. That soldier then needs to be retrained into a different military occupational specialty. There are costs associated for that that is not programmed.

If we have to move equipment from one State to another State as we rebalance the force at lower end strength and force structure levels, there are costs for that that is not programmed. The facilities themselves out in the 2,600 communities, the average age is 43 years old. If there is a new mission in that community, perhaps that facility needs to be modified to accomplish that new mission. That cost is not programmed. So that is turbulence.

But I am also concerned about, to your point, about our men and women, the intangible aspect of turbulence that is associated with end strength and force structure reductions. There is uncertainty that is introduced in their minds about, am I going to be a member of the same unit? Will I continue to serve with the same men and women that I have spent my career with? Will I still accomplish the same missions and the same equipment that I have been trained on? So that is the turbulence associated with end strength and force structure drawdowns that I think introduces both a tangible aspect, but also an intangible aspect of an uncertainty in the force, and we are concerned about that.

STATE PARTNERSHIP PROGRAM

Mr. FRELINGHUYSEN. Mr. Womack mentioned our visit to the Texas unit at the base of the Sinai, and Mr. Visclosky and I led a group to Egypt, a brief stop in Cyprus and Ukraine. Can one of you or all of you talk about your connectivity, military to military, around the world? I know from BG right to my left, that the National Guard had some very early relationships with what we used to call the captive nations, the Baltic nations, but as we see a disassembly in Ukraine and the leadership of the President, you know, trying to keep his country together and Russians mobilized in the country, you know, not just separatists, but Russian command and control, and we see Egypt, you know, looking for supplies, military support that actually has been set aside for them but hasn't been delivered, talk to us just for a few minutes about how the role that all of you play with your military counterparts,

and how, given what is happening in the world, how that is something which we need to enhance rather than drawback on.

General GRASS. Chairman, if I could open it, the State Partnership Program that the National Guard has been a part of now for 22 years, we are getting ready to kick off our 75th partner here, probably within the next 2 months, but we have 74 countries that we are partnered with around the world. Many of our states now have two, even a few have three partners.

And one of the missions we got early on from General Phil Breedlove in Europe was when Crimea first hit the news, he said, reassure our partners in Estonia, Latvia, Lithuania, Poland, all those partners in eastern Europe, reassure them that we are still there with them as NATO partners. And only immediately, the adjutants general, who are partnered with those states were called by either the chief of defense or the minister of defense's office and said, we would like you to come over for a visit, we want to continue. And we are already doing many exercises there.

So we do that on every continent. Those 74 partners that we have now, soon to be 75, we will do about 700 engagements in support of the combatant commands each year. An engagement may be a chief of defense from a foreign nation coming to the United States to meet with their partner, it may be an exercise of a company or a battalion on their land or at home here. And we do all of that a lot with training dollars and with support from the combatant command and the Department of State. Department of State and the combatant command gives us our strategy for those missions.

So it is a great program. This year we will spend about \$9 million above what is in the budget to do 700 engagements. And I know that all the way to the Secretary of Defense, they have stressed the importance of this program.

Mr. FRELINGHUYSEN. It is an excellent investment, and we saw some of it firsthand. I think other nations would benefit from it.

Yes, General Talley. And then I am going to go to Mr. Israel.

General TALLEY. Sir, great question. As the chief of the Army Reserve, I routinely get asked by heads of states and other heads of government outside the United States, they want to use the Army Reserve as the business model for their Reserve component, and so I routinely engage with them. So, of course, the United Kingdom just changed the name of their Reserve component to the Army Reserve, and we see lots of increased corroboration.

Because we are a global command, we are not tied to state boundaries. So I am in 32 countries right now, and because we are directly embedded in every combatant command, we are engaging mil to mil every day. I have 5,000 forces in the Pacific, I have 1,500 and a one-star command permanently in Europe that takes care of all the evacuations and coordinations for General Breedlove.

So because—again, because we are a global command, because we are not tied to a state territory as a Federal force under Federal control, we are directly engaged with these mil-to-mil programs throughout the globe.

Mr. FRELINGHUYSEN. Thank you, gentlemen.

Mr. Israel.

PUBLIC-PRIVATE PARTNERSHIPS

Mr. ISRAEL. Thank you, Mr. Chairman. And I also apologize for being tardy. General Grass, I wanted to talk to you and follow up on the engagement that you all had with Congressman Ryan about suicides and PTSD. Some time ago Congressman Peter King and I were able to pass an amendment to the DoD authorization bill providing \$10 million for new public-private partnerships between DoD, primarily in the Guard and Reserve, to engage in research, treatment, outreach and other aspects of PTSD. I have to tell you I am rather disappointed. This is a bipartisan amendment supported by every member of the House of Representatives, \$10 million was authorized. One program was stood up under this amendment, one program was stood up in Indiana, and I have nothing against Indiana, but one program.

In addition to that, it is my understanding that DoD is intending to roll out a second program. I have two concerns: Number one, the pace of the program; number two, this was clearly intended to be primarily utilized by the Guard and Reserve. My understanding is that the Guard and Reserve has not been included to the extent that Congressman King and I and the United States Congress had intended.

So my question is, are you aware of this funding, are you tapping into it, why so slow, and are you making sure that you are maximizing the intent of the program for the Guard and Reserve components?

General GRASS. Congressman, let me start by saying this is where we have to go for the future, private-public. As our defense budget shrinks, as thousands come back home with 10, 15 years experience, you know, the problems we are going to see and how people are affected by long periods of war will espouse in our communities, and that is why private-public partnerships are so critical.

General Lyons can talk in much more detail as far as what we are doing, but we started a program just in the last year, actually, it started some time ago, but it is called Joining Community Forces, and, in fact, Indiana has one of the models right there in Indianapolis, but many States now have created their own Web sites and their own brick and mortar facilities that if you have an issue, whether it is fiscal, family, you know, you are a veteran, you don't know where to meet with medical staff, psychological health, we have a setup now where you can walk into a facility and they will advise you, and we don't care whether you are a family member, a guardsman, a reservist or veteran of any type, retiree.

And, again, it is the Joining Community Forces. We did our first conference about 3 months ago. We had over 400 attendees, the Department of Labor, Veterans Administrations, Commerce, State government was represented there, and we modeled five of the programs at that session, so the States will pick up on it.

But I think your proposal and your legislation is exactly what we are going to have to drill down even further and look at those programs that have already been tested.

General LYONS. Thank you, Congressman. I wanted to address the Indiana example that you highlighted. And there are other

States involved in that as well, but I think it represents, as General Grass said, this idea of joining with community forces, I believe that is the spirit of the public-private legislation.

So this particular program is pretty innovative, and there are others out there, but I just wanted to highlight what they are doing with this one particular program. So the National Guard has partnered with Purdue University and other local alliances and they are offering training to civilian behavioral health providers on the unique challenges that military members and veterans face, how to recognize those challenges if they are presented to them. It is a three-tier program that these civilian providers attend.

They actually get CEUs, civilian education unit credits for going through that program. And at the end of that should they complete that, they are actually entered into a registry, so that if a family member is seeking a behavioral health provider in the civilian community, they can go to that registry and they will know that that particular provider has gone through this program and has been trained to recognize the signals, the symptoms, the characteristics that military members and veterans recognize. So it really does reach deeply into the public-private partnership spirit, I think, of which you are talking. So I just wanted to commend that one particular program.

Mr. ISRAEL. Well, I don't dispute anything you have said, it is a wonderful program, but the point was that \$10 million was meant to replicate that program, to start up that program and replicate it around the country, and I don't know that that programmed has been replicated around the country. I guess my question is, is that \$10 million entirely funding the Indiana program, or are there plans to expand it beyond?

General LYONS. Congressman, I would like to take that for the record so I can have the staff come back and outline exactly where that has gone and what the plans are for the future.

Mr. ISRAEL. Thank you. Thank you, Mr. Chairman.

[The information follows:]

The National Guard Bureau, in conjunction with Purdue University, the Uniformed University of the Health Sciences and Center for Deployment Psychology assisted in the development of an exemplary model of this partnership, known as STAR Behavioral Health Program (SBHP). The goal of SBHP is to provide not only training in military culture, but evidence based clinical practice training. Other states have recognized the value of SBHP; training community providers in local or remote locations to better serve remote Service Members and Veterans. California, Michigan, Georgia, South Carolina, Ohio and most recently New York, are actively implementing SBHP models for behavioral healthcare. The goal of these community-based public-private partnership models focus on ensuring access to high quality mental health treatment for our population, especially in remote locations.

The Star Behavioral Health Program initiated a study of the efficacy of growing these public-private partnership initiatives. The research sought to validate the fundamental aspects of these initiatives—the training of local clinicians on the unique needs and stressors specific not only to Guard, but all military Service Members. I am pleased to highlight that these public-private partnership initiatives have successfully trained many local providers and accessible registries of all these providers are maintained and regularly updated. These registries in turn help our Service Members quickly find the most appropriate care for behavioral health concerns within their local communities.

In addition to these programs, in the coming months the Department expects to award a grant to public partners to address Section 706 by supporting research on the causes, development and innovative treatment of mental health, substance use disorders, Traumatic Brain Injury and suicide prevention in members of the National Guard and Reserves, their family members, and their caregivers. The Depart-

ment also expects to award a grant to enhance outreach and education efforts to members of the National Guard and Reserves, their families and caregivers.

Mr. FRELINGHUYSEN. Thank you, Mr. Israel.
Mr. Womack.

ATTACK AVIATION

Mr. WOMACK. Thank you. I have just got one follow-up on ARI for General Grass. You know, Congress last year created the Commission on the Future of the Army, and one of the many topics, of course, is attack aviation. It is my understanding that the Commission's findings aren't going to be available until February of 2016. General Grass, is that your understanding as well?

General GRASS. Yes, Congressman, it is.

APACHES TRANSFER RESTRICTIONS

Mr. WOMACK. It is also my understanding that the fiscal year NDAA restricts the transfer of Apaches to only 48 aircraft until about the 1st of April of 2016, but after that date, there is nothing that I see that would currently stop the Army from going ahead and moving all of the rest of the Apaches. Is that your understanding as well?

General GRASS. Yes, Congressman.

Mr. WOMACK. It is my understanding that the NDAA protections expire next April, and as we have indicated, that they can move those. So, Chairman Frelinghuysen, I would just like to say for the record that it is my opinion that the NDAA serves as a Band-Aid to what amounts to an open wound, and if the Army is allowed to transfer the aircraft in April of next year, they will probably be gone from the Reserve component forever. And I would hope that this committee will take steps to ensure that the right decisions are made and that we don't live to regret an action by the Army that I think would be devastating to our Guard. And that is all I am going to say about that. I think I have made my point about ARI.

ARMY NATIONAL GUARD FULL-TIME SUPPORT REQUIREMENT

General Lyons, it is my understanding the National Guard full-time support is about 17 percent of the total Army Guard and the foundational force. These guys do a lot of things that keep us ready, and 17 percent is a pretty small number to do such an important job. And I understand it also represents about 70 percent of the total number required for full-time manning. So I have just a couple of questions.

When was the Army National Guard full-time support requirement generated, and is your requirement as a result of growth during the wars?

General LYONS. Congressman, thank you. In direct answer to your question, pre-9/11, beginning in about 1999 and up to January of 2001, so 8 months before 9/11, Congress and the Army, I think, recognized an underresourced strategic reserve in terms of full-time manning and took definitive steps to increase the requirements and authorizations to recognize that underresourced strategic reserve. So those decisions were made prior to 9/11.

Mr. WOMACK. What is the impact on generating combat capability if full-time support continues to be cut, and does it jeopardize the Guard's ability to remain operational?

General LYONS. It does, Congressman. It is a deep concern as we reduce full-time manning, both active Guard and Reserve and military technicians, you know, about 97 percent of them are deployable with their units; they are assigned to their units, they provide the foundational readiness across the spectrum of our formations for the 83 percent that are traditional men and women.

So they pay our soldiers, they help account for the equipment that Congress has appropriated funds for properly, they take all the actions to maintain our equipment so that we are able to respond both for overseas and at home. So when we take reductions in full-time manning, particularly as programmed under sequestration, it has a direct impact on both our capability and our capacity, and the response time that we have for responses here at home and overseas. It has a direct impact.

Mr. WOMACK. Do you have a cost analysis of maintaining the Army Guard full-time posture at previous years' levels?

General LYONS. Congressman, I do. We estimate that in this fiscal year, to retain the 1,700 AGRs and military technicians that are programmed to come out, it will be about \$79 million.

Mr. WOMACK. Okay. And then finally, my last question, I am going to—you know, I am a Guard guy, so I have to give these guys a softball, Mr. Chairman.

Mr. FRELINGHUYSEN. They deserve at least one.

NGREA FUNDING

Mr. WOMACK. We have already talked about NGREA, so I am just going to just throw it out on the table. This was a \$1.2 billion I think, and the Reserves got a piece of it, the Air and the Army split, I think, 415 apiece, whatever the number, \$415 million a piece. Think for a minute if that money was gone, if that capability was not there. This is a pretty important part of what you guys depend on, is it not?

General LYONS. Congressman, that is absolutely accurate. As I stated earlier, the impact of NGREA funding on the Army National Guard as an operational force can't be overstated. Had we not had those funds to recapitalize and modernize our equipment lines, we would not be as operational as we are today.

So to put that in perspective, thanks to the committee's support in what we call critical dual-use equipment, those items of equipment that have a war fight mission, but also here at home, thanks to NGREA, we have been able to modernize up to 92 percent of that equipment. But there are still requirements that remain. So with additional NGREA funding, we are going to continue to modernize our fleets, we are going to focus on our domestic operations with construction engineer equipment, our Humvee ambulance fleet that we talked about, our civil support team equipment, as well as bridging equipment. So there is a legitimate need to continue to modernize.

Mr. WOMACK. I know I am out of time. General Talley.

General TALLEY. Congressman—excuse me. Thank you. I know you love the Army Reserve too, even though you are a Guard guy.

Mr. WOMACK. Oh, I do, I do. So let the record reflect.

General TALLEY. Let the record reflect.

\$185 million for 2015 is what our scheduled NGREA is. That is 30 percent of the total procurement fund for the Army Reserve. So that pretty much answers your question on how important it is.

On full-time manning, on 13 percent, the lowest of any component or service, and I am as big as all the other Federal Reserves combined. So 17 percent's not too big, but 13 percent's way too low.

Mr. WOMACK. But we are still asking these guys to do a lot more than—

General TALLEY. Absolutely. So I need help on full-time funding and keeping the NGREA coming. Thank you, sir.

Mr. WOMACK. General Clarke, NGREA?

General CLARKE. Yes, sir. For us, you know, there are multiple examples of how NGREA has made a difference. In fact, if we didn't have it, combatant commanders wouldn't even allow us in their area of operations. That is a fact.

Mr. WOMACK. I think that speaks volumes, Mr. Chairman. And I yield back.

Mr. FRELINGHUYSEN. Thank you, Mr. Womack. Well done.

Mr. Ruppertsberger.

CYBER SECURITY

Mr. RUPPERSBERGER. Thank you, Mr. Chairman.

We have some severe threats, as we know: weapons of mass destruction, terrorism, the Russia-China threat, but I think one of the most serious threats is as dangerous as those other threats is cyber and cyber attack, and it is going to be warfare of the future, if it is not now, and not only in the amount of money that is being stolen, billions of dollars, and the attacks on everything that we do, whether it is our business, our military, but I know that you are engaged in the cyber issue too.

And could you explain what your mission is in cyber, and address the fact what you are doing and to make sure that there is not duplication of effort on what regular Army, Air Force, Navy, Marines are doing also? And maybe you could refer—I know, again, talk about my district, but I know the 175th is involved with cyber, and if you could explain, you know, what their mission is and what they are doing and why it is so important we continue the funding in this cyber realm as it relates to your role to protecting our homeland.

That is kind of a softball too.

General GRASS. Congressman, if I could open it. As was said earlier, we have a capability here within the Guard and Reserve that the Nation needs more than ever. And we also have an opportunity to be able to capture those men and women that we invest in in the future that decide they want to go on a different career path and they want to leave active duty, they can come into the Guard and Reserve.

One of the things we have made very clear from day one working with both the governors, the adjutants general, as well as the Department of Homeland Security and CYBERCOM is that we want to be trained, organized, and equipped the same way as the active components of the Air Force and the Army, and so we are training

our cyber warriors right now to those same standards. And actually we are going to have a facility which will be certified here in the future, where we will actually train Army cyber warriors at a Guard facility.

The intent is for distributing this capability across the States where the States have civilian employment available that can grow these warriors, and then also that can allow opportunities for them to progress up through the ranks. We don't want them to get to a certain rank and leave.

So we are looking at that. I have got General Clarke and General Lyons both coming side by side. And as we look at stationing Air Guard and Army Guard cyber structure of the future, we do that together to make sure that one day we don't wake up and we have it all sitting at one location. But again, the governors, I am committed to them, to trying to put something in each State.

Congressman, the big challenge here, and we are working on this right now with inside the Pentagon, the Deputy Secretary of Defense has tasked one of his Deputy Secretaries to take a look at this, but it will take probably some change to law somewhere down the road, but it deals with the authorities both from State, Federal as well as private-public. And there are a lot of things the Guard can do with various authorities. But how do you know when you have left state boundaries in cyber world? And how are we going to handle that both working with FBI, Department of Homeland Security, state government?

So a lot of work to do, but we are putting a lot of emphasis right now on going within the authorities within Department of Defense, Department of Homeland Security. And I think I have been with Admiral Rogers now six times since he has taken over at CYBERCOM.

Mr. RUPPERSBERGER. One of my concerns is that there are so many people involved in the military with the cyber issue, and it looks like, well, why do we need the National Guard to do it? So could you explain really what your mission would be from a National Guard perspective versus the regular Army and Navy and the Air Force?

General GRASS. Yes, Congressman. In fact, I will ask General Clarke to comment and General Lyons, because they are really given two different missions from the Air Force and the Army.

General CLARKE. So directly, you are looking for, sir, the competitive advantages of the National Guard here.

Mr. RUPPERSBERGER. Yeah.

General CLARKE. What we have found in our units is we have people that do IT skills for corporations, State government, and local government and Federal Government that are also members of the National Guard that use those IT skills as they play into the cyber units doing military tasking for—in our case, for the United States Air Force and U.S. Cyber Command.

The relationships that they have with each other as they come to drills and other times that they get together is a network of people that share ideas on things like computer network defense. They are getting that from their civilian skills and their companies, industry and they are bringing that to bear and using that within the military now.

Conversely, they are learning things about the military side they might be able to use back with their State government, if you will. That is just the skill part of it. Then there is the relationship part of it. If you want to get in the door at a place where people need assistance on things like protecting a utility's infrastructure, you have got to have a relationship or they might not let you in the door. And we might be able to provide things as a part of the National Guard that will let you in the door to assist them with that further.

In the case of Maryland, Maryland was in—the Guard was into cyber before cyber was even cool, and the relationships that they have built, not just domestically with multiple three-letter and four-letter agencies of the U.S. Government is outstanding. They have now expanded that through the State Partnership Program with Estonia. So now we have an international piece of what we are doing with military members.

Mr. RUPPERSBERGER. Okay.

General LYONS. Congressman, I would like to start out by saying that our one full-time cyber protection team that I mentioned earlier is, in fact, stationed in Laurel, Maryland, there. But to answer your question about the mission sets, the cyber protection teams that the Army Guard is standing up are part of U.S. Army Cyber's mission set. So the missions that Army Cyber will undertake, our Army National Guard teams eventually will participate in those. But it is important to put this in context. We have the one team full-time that is stood up, they are undergoing training as we speak. We just announced the three traditional Guard teams. It will take time to get them stood up, plug them into schools for both basic training and advanced training so they become what we call fully operational capable.

Once they do that, though, they will participate in all of the missions that Army Cyber is participating in in cyber defense, vulnerability assessments, protect the network, those types of missions.

Mr. RUPPERSBERGER. Thank you.

EMPLOYER DISCRIMINATION

Mr. FRELINGHUYSEN. Thank you, Mr. Ruppertsberger.

Both the private sector and the defense sector, the whole government sector is subject to hacking, and goodness knows, we are making some substantial investments, and I hope that, if you will pardon the expression, we de-conflict all those investments so we get the maximum advantage over the people that are doing this, nation states or other groups.

As we move towards the top of the hour, I just want to raise the question, all of your Reserve and Guard men and women are bread winners for their families, and I think we recognize that important contribution, that there is always the view in some quarters, and I would like to have it either substantiated or dismissed, that some employers sometimes discriminate or have some sort of a bias. Of course, from our standpoint, that sort of is unacceptable. What is—how would you describe—I know we have some wonderful partners and wonderful employers, but can you talk frankly just for a minute as to what you are doing to sort of combat this issue where it arises?

General LYONS. Mr. Chairman, I will speak for the Army National Guard specifically. The adjutants general in the 54 States, territories, and the District are continuing to engage at the local level with employers. They do that on a daily basis. So at the end of the day, we feel that this is all about communication. And we stress this with our soldiers, our men and women that serve with us, that should they be employed for an overseas mission, that as soon as we know it, that they are talking to their employer about it and giving them a heads-up.

We most recently saw this example in Minnesota with Operation United Assistance when the 34th was postured to undertake that mission. They immediately engaged with employers to talk about that. And I think that communication is what really bridges that gap and reduces those sources of friction that do come up from time to time. There are points of friction. But we have tremendous ombudsmen in the employer support to the Guard and Reserve community that help us address those issues when they do come up, and we think that is really a recipe and a best practice to get at that. So we are very well focused.

The last point, Mr. Chairman, is I will tell you, talking to the TAGs, talking to commanders, this is part and parcel of retaining an operational force is that continued engagement either in combatant commander requirements, or here at home. The men and women who want to be engaged, they expect to be engaged, and they are willing to talk to their employers and their family members about that and the importance of that, and I think they will get that support.

Mr. FRELINGHUYSEN. Well, communication is one thing, obeying the law is another thing, and it is the law. So where you run into instances, I am sure you will bring them to our attention.

General Talley, you wanted to get in or General Grass, jump in just for a minute, and then we are going to go to Ms. McCollum.

General TALLEY. Mr. Chairman, thanks for the question. The Employers Partnership program actually started in the Army Reserve by my predecessor, Jack Stultz, and became so successful, it was replicated throughout all the services and components, one of the few times plagiarism is a good thing. I say that as a recovering academic.

We have taken that program and brought it to the next level, our P3 or private-public partnership. We have over 6,000 agreements in place. We believe the Army Reserve is probably the best connected of all services and components with the private sector, and we utilize that to help our Army Reserve. Those soldiers have to be the best employees, because what we do see, and I will be very frank, and I saw it when I was a traditional reservist, is, yes, you are disadvantaged in some employment situations because they know even if you are not deployed, you are still gone a lot doing Reserve stuff, and they, even though it is against the law, do—it does cost you partnerships, it does cost you promotions, and we still struggle with that.

EMPLOYER RELATIONSHIP

Mr. FRELINGHUYSEN. General Grass, briefly. General Clarke, if you will, please. And then to Ms. McCollum.

General GRASS. Congressman, I think most of the stress we see are on the small employers, and we have to do things. I know there has been some great work by the Congress, too, to help them. But that is our focus right now.

The medium to large size, they are on board with us. If we have someone—a soldier or an airman that has an issue out there, we will work very closely with the Department of Labor to bring it to closure quickly. And they have been very supportive.

Mr. FRELINGHUYSEN. General Clarke and then Ms. McCollum.

General CLARKE. Yes, sir. Briefly, I parrot the same comments. But post-deployment, when the members return home, I think it is important to embrace the employers, too, not just the members themselves and the families. But bring the employers out to be a part of everything when they come home.

We mentioned how outstanding the SGR is. To date, I do not have one single complaint from an ESGR ombudsman. Not one that has come forward. So we are getting a lot of support out of the employers out there across the Nation.

And the last one I say, we have recognition programs for the outstanding employers. And that is largely a DoD-led effort, but even the local units have their own recognition programs. That is a big deal. People like being patted on the back and their hand shaken and say, "Thank you for supporting our members."

Mr. FRELINGHUYSEN. They have a lot to be proud of. As you represent all of that, we want to make sure that recognition is given and, if there is any issues, you will bring them to our attention.

Ms. McCollum, I believe, unless Mr. Visclosky has any questions.
Ms. McCollum.

TURBULENCE

Ms. MCCOLLUM. Thank you, Mr. Chair.

I know one of the stressors for the long deployment for our volunteer departments is standing up to serve in the National Guard—quite often are serving in their communities.

To my question, you talked about turbulence. And one of the things that I think was very turbulent, self-inflicted wound, was the budget shortfall that Mr. Visclosky started asking about.

I heard it from General Nash, who was going to have to tell people coming in for drill what was going to happen. I didn't hear it from the committee. I didn't get a heads-up from our folks here. And, you know, called back and we were finding out at the same time. So obviously you knew you had a shortfall. Obviously, you knew there were problems.

I am very disappointed in the way in which it was handled. I have not been satisfied with any of the answers that have been given as to the diagnostic of why it happened. Many of us have either served in the private sector on boards or small businesses or served in local government where we do routine audits, and when there is something really wrong, the auditor has nailed it down.

So I would very much like a detailed report as to what the forensics were on finding out what this problem was, why it happened in the first place, and what action you have taken so it doesn't happen again.

Because that was a very stressful thing not only for you here, finding out there was a shortfall, but for all the Guard men and women and for those who were going to have to stand in front of folks and say, "Sorry. The drill has been cut" or "This that you have planned on has radically changed." There is a lot of turbulence at a time when we are trying to, you know, retain and recruit people in the Guard.

So I just want it on the record. I was dissatisfied in the way it was handled in the beginning, and I am dissatisfied with the way it has been handled even today with the answers.

Thank you, Mr. Chair.

[The information follows:]

In August 2014, the Army National Guard realized the Initial Entry Training program was projected to exceed its funding authority and took immediate steps to address the funding shortfall through a reprogramming effort. At the same time, the Army Guard also addressed funding requirements for drill and annual training pay funding due to a substantial increase in participation rates.

The shortfall in funding resulted from a breakdown in communication between Human Resource (G1) and Guard Strength (GSS) Directorates responsible for the funding and training seat allocation respectively. The Directorates failed to collaborate and align funding against training seat allocation prior to or throughout the fiscal year. As such, the Army National Guard filled more training seats than it had resources to fund. The result was a must-pay bill for Soldiers attending Initial Entry Training. At the same time, drill and annual training participation rates grew steadily over the fiscal year reducing the Army Guard's flexibility to internally resolve the projected funding requirements.

In order to avoid a potential shortfall in funding, the Army National Guard requested a September Prior Approval Reprogramming Action in the amount of \$101M. At no time was the Army National Guard at risk of violating the Anti-Deficiency Act. At the Chief of National Guard Bureau's direction, the Army Guard took a precautionary step to reschedule September Inactive Duty Training to the last weekend in September to allow the September Reprogramming Action to work through Army, OSD, OMB, and Congress. Once the reprogramming was approved, funds were immediately redistributed to the states to cover the September training. .

The Chief National Guard Bureau and the Acting Director of the Army National Guard responded to the September reprogramming action by initiating an internal review to evaluate management and internal controls and propose changes to improve fiscal management of resources and prevent a similar shortfall in the future.

The Army National Guard conducted an internal review of the FY 2014 September Reprogramming Action identifying material weaknesses and root causes.

Corrective Actions:

- Assigned BG Wojtecki as a Special Assistant to the Director of the Army National Guard to provide oversight of resourcing and contracting.

- Placed the Guard Strength Directorate (GSS) under the direct supervisor of the Human Resource Directorate (G1) and replaced the management teams in the personnel and strength divisions with leaders possessing extensive financial management experience.
- Strengthened management and internal controls procedures through guidance codifying the roles and responsibilities of personnel responsible for managing programs.
- Monthly reviews and briefings on the major programs rose to a higher level of leadership to ensure visibility on management and execution of resources.

1. Key Program Statistics:

August 19, 2014, the Army National Guard Comptroller Division identifies the potential shortfall of Initial Entry Training funding.

August 20, 2014, the Army National Guard leadership is advised of the potential shortfall and briefed on courses of action.

August 22, 2014, the Army National Guard submitted the data sheet to Army required for the September Reprogramming Action.

September 4, 2014, OSD(C) provided the Army Guard with a copy of the draft DD 1415 for the September Reprogramming Action.

The 1415 was forwarded to OMB by the Deputy Comptroller on September 6, 2014. It included pay and allowance increases to the Navy, Air Force, Marine Corps Reserves, and National Guard Air Force.

The Army National Guard G8-Comptroller and Legislative team briefed Congressional staff members September 9-10, 2014. All four Congressional Committees approved the September Reprogramming action by September 16, 2014.

On September 16-17, 2014, funds were returned to the States, Territories and the District of Columbia for September Inactive Duty Training pay and allowances in sufficient time to resource Inactive Duty Training deferred to the last weekend in the month.

2. Overall Budget or Other Relevant Funding Data: Instructions.

Initial Entry Training shortfall (\$63.1M) was due to the Human Resource (G1) and Guard Strength (GSS) Directorates failure to collaborate and align funding against training seat allocation prior to or throughout the fiscal year.

- Lower than anticipated average drop out and deferral rates, as well as an increase in the rate factor in the JBook eliminated the flexibility of the Army National Guard to internally mitigate the shortfall.

Pay Group A (\$38.0M) was due to a substantial increase in participation rates for both officer and enlisted Annual Training and Inactive Duty Training.

- Participation rates trended upward throughout the fiscal year, with the average participation rate for the year at approximately 87%. A higher number of soldiers

completed Annual Training and Inactive Duty Training combined with a decline in mobilizations above the budgeted estimate led to a shortfall in funding.

- The increase from budgeted participation rate to actual participation rate was an increase of approximately 12% for Annual Training and 10% for Inactive Duty Training resulting in a shortfall of approximately \$270 million in Pay Group A funding; most of which was internally mitigated by curtailment of non-statutory activities (primarily special training and training).

EXAMPLES:

1. Question: Why did the Army Guard run out of funds last September to pay its troops to attend drill?

The Army Guard took a precautionary step to reschedule September drills to the last weekend of the month in order to allow the September reprogramming action to work through Army, OSD, OMB and Congress.

Upon approval of the September Prior Approval Reprogramming action, the Army Guard immediately returned funds to the states, territories and the District of Columbia sufficient to cover the pay and allowances for September drill.

2. Question. When was the shortfall identified and when was Congress notified?

The timeline for identification and notification is provided below:

- August 19, 2014, the Army National Guard Comptroller Division identifies the potential shortfall of Initial Entry Training funding.
- August 20, 2014, the Army National Guard leadership is advised of the potential shortfall and briefed on courses of action.
- August 22, 2014, the Army National Guard submitted the data sheet to Army required for the September Reprogramming Action.
- September 4, 2014, OSD(C) provided the Army Guard with a copy of the draft DD 1415 for the September Reprogramming Action.
- The 1415 (Prior Approval Reprogramming Action) was forwarded to OMB by the OSD(C) Deputy Comptroller on September 6, 2014. It included pay and allowance increases to the Navy, Air Force, Marine Corps Reserves, and National Guard Air Force.
- The Army National Guard G8-Comptroller and Legislative team briefed Congressional staff members September 9-10, 2014.
- All four Congressional Committees approved the September Reprogramming action by September 16, 2014.
- On September 16-17, 2014, funds were returned to the States, Territories and the District of Columbia for September Inactive Duty Training pay and allowances in sufficient time to resource Inactive Duty Training deferred to the last weekend in the month.

3. Question: Explain the controls put into place to avoid this situation in the future.

The Chief of National Guard Bureau and the Acting Director of the Army National Guard responded to the September reprogramming action by implementing the following changes:

- Assigned BG Wojtecki as a Special Assistant to the Director of the Army National Guard to provide oversight of resourcing and contracting.
- Placed the Guard Strength Directorate (GSS) under the direct supervisor of the Human Resource Directorate (G1) and replaced the management teams in the personnel and strength divisions with leaders possessing extensive financial management experience.
- Strengthened management and internal controls procedures through guidance codifying the roles and responsibilities of personnel responsible for managing programs.
- Monthly reviews and briefings on the major programs raised to a higher level of leadership to ensure visibility on management and execution of resources.

4. Question. When was Congress notified about the reprogramming action?

On September 9-10, 2014, the Army National Guard G8-Comptroller team (Mr. Douglas Curell, G8; COL Bill Hersh, Comptroller; and LTC Alecia Biddison, Branch Chief Budget Execution) briefed Professional Staff Members (PSMs) from the Senate Appropriations Committee, Defense Subcommittee (SAC-D) and House Appropriations Committee, Defense Subcommittee (HAC-D) on the September 2014 Prior Approval Reprogramming action.

On January 27, 2015, BG Wojtecki (Special Assistant to the Director of the Army National Guard) and Mr. Derrick Miller (National Guard-J8, Director, Internal Review and Process Improvement) briefed Professional Staff Members (PSMs) from the Senate Appropriations Committee, Defense Subcommittee (SAC-D) and House Appropriations Committee, Defense Subcommittee (HAC-D) on the findings and corrective actions taken after a review of the September 2014 NGPA reprogramming action. It included proposed and implemented actions to prevent the need for similar reprogramming actions in the future.

Mr. FRELINGHUYSEN. Okay. Thank you, Ms. McCollum.
Mr. Visclosky.

OPERATIONAL ROLE

Mr. VISCLOSKY. Thank you, Mr. Chairman.

If I could ask about the operational role of the Guard, there are currently some ongoing missions preserved by the Reserve components and Guard that provide an opportunity to help maintain an operational Reserve. The Sinai has been alluded to a number of times this morning.

I have always thought about it, not being an expert on military matters, operational preparedness. But I was struck Mr. Womack, when he was addressing the Guard at the Sinai, encouraged them not to talk to each other, but to get to know their coalition partners and to get to know the people who live in that area that they were serving in. And I thought it was a great admonition and good piece of advice and additional benefits to our country.

What, if I could—and if you want to for the record—types of mission looking forward will make effective use for the Reserve component skills and that would help the Reserve component maintain operational status?

And is it DoD policy to make use of the Reserve components in this manner? And, if not, if you think more could be done in this regard, if you could provide that, if you have a short comment. I have a couple more questions, too, though. And if you want to do it for the record, that will be fine or—

General LYONS. Well, Congressman, just a couple of quick examples of some of those missions that we talk about being able to engage our men and women who have grown up in 13 years of operational tempo. These are missions that we consider to be foundational missions for the Army National Guard, in particular.

The Sinai mission, that was an example. Kosovo forces is a mission that we have routinely engaged in over a number of years. We also have the Horn of Africa, which has traditionally been a National Guard mission.

Virtually anything that a combatant command is doing, we think the Army National Guard has equity in that because of our force structure, our equipment, and our training. So these are all examples of missions.

Combat training center rotations are another key event for leader development engagement that we would like to see continue that helps posture us as an operational force, along with joint and multinational exercises.

AUDITABILITY

Mr. VISCLOSKY. Okay. I am very drawn to the idea that the Department meet its goal as far as auditable financial statements by 2017. The Marine Corps has been certified at least as far as making progress on part of that.

If you could describe—and, again, I think, for the record—your component's progress toward establishing auditable financial statements by 2017, I would appreciate it.

And, also, do you believe you are on schedule to meet that goal or will there be a shortfall? If so, for what reasons that we should be concerned about?

The last question I have, if you would care to comment, is: If Congress determines that the A-10 should be retained during the consideration of the fiscal 2016 budget, what would the effects of the delay of divestiture be on your forces?

General LYONS. Congressman, I think for the Army National Guard I will take the auditability question for the record and we will come back on how we are progressing toward fiscal year 2017. [The information follows:]

The Army National Guard continues to improve our financial processes as we prepare for a full financial audit by 2017. We have a team working closely with the 50 states, three territories and the District of Columbia, with a firm commitment to achieve and sustain audit readiness. The Army relies on this team to assist and advise on financial processes. Our Army National Guard finance officer works side-by-side with the Army to ensure the Army National Guard is auditable by 2017. The Army National Guard issued that objective to all adjutants general in our 2015 Strategic Planning Guidance.

The results of our monthly testing, conducted by the Army, reflect how well the Army National Guard is performing as we prepare for a full financial audit. With regards to general equipment, the Army National Guard pass rate is currently 83 percent; the Army-wide pass rate is 76 percent. For real property, tracking all the assets at 2,386 readiness centers and 102 Army National Guard installations, the Army National Guard pass rate is 93 percent; the Army-wide pass rate is 96 percent. For Operational Materials and Supply, tracking of ammunition assets at 48 ammunition supply points, the Army National Guard pass rate is 90 percent; the Army-wide pass rate is also 90 percent. For budgetary activities, tracking financial statements and financial transactions, the Army National Guard pass rate is 95 percent; the Army-wide pass rate is 90 percent. For military pay, tracking of military pay transactions, the Army National Guard pass rate is 77 percent; the Army-wide pass rate is 69 percent. The Army Reserve recently requested training from the Army National Guard audit team, and is currently using several of our training tools to improve its testing results.

One of our major challenges is the reduction of full-time manning, military technicians or Active Guard and Reserve personnel. These are the people who deliver Army programs. We must sustain our full-time workforce in order to ensure we have sufficient personnel to maintain audit readiness. Additional reductions could cause separation of duties conflicts within our financial processes and weaken financial controls. Additionally, the demand of the audit to provide appropriate supporting documentation for financial transactions requires the immediate attention of full-time personnel. Reductions in personnel will negatively affect our ability to support the audit with timely responses.

Currently, the Army National Guard is on track to achieve auditable financial statements by 2017.

Mr. VISCLOSKEY. I don't make light of my concern by saying "the record" because I just want to make sure—you know, I think it is a very important issue. But go ahead on the A-10.

General CLARKE. Sir, the same for us on audit goal. Is that the one you want to address first?

Yeah. We are in lockstep with the United States Air Force on audit responsibilities to be compliant by 20—I think we are on track for that.

And then I also worked that on the National Guard side to make sure that we are fully meeting anything that they request in order to push forward and meet that goal by 2017. To my knowledge, we are on track.

Mr. VISCLOSKEY. Okay.

General TALLEY. Sir, I will answer that question directly.

The Army Reserve is doing pretty well, actually, in auditability. Looking at three areas in support of the Army's auditing program, one, general equipment, which is the tracking of all the Army Reserve equipment, we are at 100 percent pass rate right now. Army-wide rate right now is 91 percent. Army Reserve, 100 percent.

Real property, tracking all the assets we have at Army Reserve centers, which is over 2100 and 6 installations, Army Reserve rate right now, pass rate, 100 percent. Army-wide rate, 94 percent.

Budgetary activities, the Army Reserve, that is, tracking financial statements and financial transactions, you know, handled by CFO, the Army Reserve currently, according to the Army, 100 percent. Army-wide rate, 84 percent.

And then to try and—but not so good area, military pay, we are currently tracking our auditability at 56 percent. Army-wide is 63 percent.

One of the challenges I have there—and we are trying to work on it—is that is that full-time manning, those MILTECHs. I need my MILTECHs and my full-time manning to pay those troops. But, overall, we are doing pretty well.

That is it, sir.

Mr. VISCLOSKY. Okay. Thank you very much.

Mr. FRELINGHUYSEN. Gentlemen, on behalf—oh, yes. General Grass. Excuse me.

General GRASS. Congressman, I just wanted to share with you that, in each State, there is a colonel that works directly for me, and I hold them accountable for, you know, the FIRREA legislation. And we are making significant progress. We will submit that to you for both working with the Army and Air and show you the progress we are making.

But I also have, of course, my head comptroller and my audit team that provides me regular updates on this. But the key for us is to work it through the State, and that is why we do have those colonels out there that work directly for me.

A-10

Mr. VISCLOSKY. Okay. And on the A-10, if we don't divest?

General CLARKE. Sir, directly on A-10 divestment, could you restate your question so—I am going to get—

Mr. VISCLOSKY. As you know, last year Congress decided to continue, if you would, with the A-10 program.

Assuming that is Congress's decision for the 2016 bill, what types of situations, problems, benefits does that cause you?

General CLARKE. Right now, none. As you know, the unit from Indiana is in current combat operations with the A-10. So no slowdown in what they have done in their capabilities.

The future holds for continued mobilization of A-10 units to actually support combat operations. In order to be there, they have got to have the full-up training kit, the equipment, and the opportunities to train. That is there. So they will be fully trained and capable when they show up in theater to do these combat operations.

Beyond that, then there is going to be a degradation of that unit's capability because they are going to convert to a different platform. At some point, when we divest the A-10s, whether it is

today, tomorrow, or 20 years from now, sometime that A-10 is going to leave and they will be converting over. So that would be a difference in their readiness at that time.

Mr. VISCLOSKY. Thank you.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Visclosky.

On behalf of the committee, gentlemen, thank you for your testimony and thank you for the great work you do representing the best of America. Thank you.

We stand adjourned.

WEDNESDAY, MARCH 18, 2015.

**UNITED STATES PACIFIC COMMAND AND UNITED
STATES FORCES KOREA**

WITNESSES

**ADMIRAL SAMUEL J. LOCKLEAR III, U.S. NAVY, COMMANDER, UNITED
STATES PACIFIC COMMAND**

**GENERAL CURTIS M. SCAPARROTTI, U.S. ARMY, COMMANDER, UNITED
NATIONS COMMAND; COMMANDER, UNITED STATES-REPUBLIC OF
KOREA COMBINED FORCES COMMAND; AND COMMANDER, UNITED
STATES FORCES KOREA**

OPENING STATEMENT OF CHAIRMAN FRELINGHUYSEN

Mr. FRELINGHUYSEN. Committee will come to order.

Mr. Visclosky, I recognize you.

Mr. VISCLOSKY. Mr. Chairman, I move that those portions of the hearing today which involve classified material be held in executive session because of the classification of the material to be discussed.

Mr. FRELINGHUYSEN. So ordered. Thank you, Mr. Visclosky.

This morning the committee conducts a closed—I remind everybody—closed hearing on the posture of the United States Pacific Command and the United States Forces Korea. We are pleased to welcome Admiral Samuel J. Locklear, U.S. Navy Commander, United States Pacific Command, and General Curtis M. Scaparrotti, Commander, United Nations Command, Commander, United States-Republic of Korea Combined Forces Command, and Commander, United States Forces Korea. Three hats.

Admiral, welcome back, and thank you for your many years of distinguished service. The committee notes that you assumed command of PACOM in March of 2012, and this is your fourth time testifying before this committee.

Today we look forward to your update on a broad variety of topics in the Pacific AOR.

General Scaparrotti, welcome back, and thank you as well for your service.

General Scaparrotti assumed command of U.S. Forces Korea in August of 2013. Two years into your command you have amassed a wealth of experience in working with our allies in Korea. We look forward to your candid assessment of what is going on, on the Korean Peninsula and that environment.

Gentlemen, we are pleased to have you both here today. We are constantly reminded that the situation in Korea is, to say the least, fluid. In fact, we can never be completely sure what will happen next in Korea, or for that matter in the Taiwan Straits, in the South China Sea, or the Sea of Japan. China continues to modernize its Armed Forces and adds to its fleet in both numbers and quality, including more subs, and is working on a second aircraft

carrier. Longstanding disputes over territory can surface with little or no warning. Frankly, many people wonder if the recent Russian annexation of Crimea may encourage similar actions by other nations in the Pacific AOR. And we can't forget that the Russians have contacts and interests there as well.

We are aware that the ongoing pivot or rebalance to the Pacific will involve shifting as much as 10 percent of our Navy's war ships into the Pacific. The buildup of assets on Guam continues. However, some of the Army's increases in military assets will rotate forward into the Pacific to train, but will actually remain based in the continental United States.

Of course, the committee will continue to ensure that our Armed Forces have the resources they need to be well maintained and trained. We are reminded that our naval air and land forces cannot be in two places at once. A force that is smaller but more agile is still smaller. And of course we always are reminded of the tyranny of distance.

We look forward to a robust question-and-answer session this morning. It is important for this committee to have a clear picture of operations in the Pacific in general and on the Korean Peninsula specifically. We are particularly interested in the readiness of forces that are assigned which rotate through Pacific deployments and the many potential hot spots you monitor. We want to hear about your ISR requirements and efforts by our adversaries to deny sea and air access and our ISR, and the cyber component of all of that.

Before we hear from our witnesses, I would like to ask my distinguished ranking member, Mr. Visclosky, for any opening comments he may wish to make.

REMARKS OF MR. VISCLOSKY

Mr. VISCLOSKY. Mr. Chairman, just to thank you for holding the hearing, gentlemen, for your service, and look forward to your testimony. Thank you.

Mr. FRELINGHUYSEN. Thank you, Mr. Visclosky.

Admiral Locklear. Good morning. Thank you. Your full statement will be in the record.

[The written statement of Admiral Locklear follows:]

STATEMENT OF
ADMIRAL SAMUEL J. LOCKLEAR, U.S. NAVY
COMMANDER, U.S. PACIFIC COMMAND
BEFORE THE HOUSE APPROPRIATIONS COMMITTEE – DEFENSE SUBCOMMITTEE
ON U.S. PACIFIC COMMAND POSTURE
18 MARCH 2015

Chairman Frelinghuysen, Congressman Visclosky, and distinguished members, thank you for the opportunity to address the committee. This will be my fourth and final opportunity to provide an Indo-Asia-Pacific assessment since taking command of United States Pacific Command (USPACOM) in March 2012. For over three years, I have had the extraordinary privilege to lead Soldiers, Sailors, Airmen, Marines, Coast Guardsmen, and civilians selflessly serving our nation. These dedicated men and women and their families are doing an amazing job and I am proud to serve alongside them.

In concert with allies and partners, USPACOM balances historical and cultural factors against modern day political and economic events in an ever-evolving effort to manage friction and conflict in the most militarized region in the world. These actions are designed to defend the homeland, strengthen and modernize our alliances and partnerships, maintain access to areas of common interest, counter aggression, prevent the proliferation of weapons of mass destruction, and defeat violent extremism.

What follows is my assessment of the region's security environment, including the current and future challenges and opportunities for USPACOM forces. My testimony includes an update on major areas of concern in the security environment, allies and partners in the region, building and strengthening relationships, and maintaining an effective and assured presence.

Security Environment

The Indo-Asia-Pacific remains one of the most dynamic regions on earth. It is vital to U.S. economic and security interests, and activities in the region will shape much of our nation's future. The region encompasses 52% of the earth's surface and is composed of 83% water and 17% land. Over half of the people on the planet reside on that 17% of land, and by the middle of the century, the Indo-Asia-Pacific will potentially contain 70% of the world's population. This high population density coupled with destabilizing factors such as natural disasters, climate change, ideological radicalism, and population migration will continue to put immense pressure on regional governments. Contained in the thirty-six nations in USPACOM's area of responsibility are the world's two largest economies after the U.S. (China and Japan), and five smallest economies. The region also contains the world's most populous nation (China), the

largest democracy (India), the largest Muslim-majority (Indonesia), and the smallest republic (Nauru). It contains seven of the ten largest standing militaries, five nuclear nations, and five of the U.S.'s seven mutual defense treaty alliances. The socioeconomic diversity and population density throughout the USPACOM area of responsibility (AOR) create strategic long-term challenges. These challenges include: political instability, social inequality, poverty, increased sensitivity to climate change and natural disasters, risk of pandemic disease, and epidemic drug use and distribution.

In addition to these challenges, the U.S. must continue to deter North Korean provocation, ensure access to air and sea lanes, encourage peaceful resolution of territorial and maritime disputes in the East and South China Seas, respond to natural disasters and theater health issues, check the flow of violent extremists from the Middle East to violent extremist organizations (VEOs) in the Indo-Asia-Pacific, address transnational crimes, monitor an increasingly active Russia, and constructively engage a rising China. Despite all of the challenges, the theater possesses opportunities for the U.S., its allies, and its partners. In order to capitalize on these opportunities, foster the region's economic potential, and provide the security and stability necessary to protect areas of common interest, USPACOM remains engaged.

The Indo-Asia-Pacific requires stable political institutions to effectively govern and prosper. Overall, but with notable exceptions, the countries of the Indo-Asia-Pacific region are more politically stable than in previous years. The general health of democratic institutions across the region is evidenced by several critical leadership transitions which occurred last year. Successful, peaceful participatory elections occurred in India and Indonesia. Sri Lanka achieved a peaceful transition of power following its January election. Fiji took a major step toward moving past its 2006 military coup by holding elections last September. Citizens in many countries were able to peacefully protest without fear of oppressive action. While these activities are reassuring, challenges remain. For example, Thailand's military coup removed a democratically elected administration, and interim leaders have yet to restore a democratic government.

North Korea: North Korea remains the most dangerous and unpredictable security challenge. The regime continues its aggressive attitude while advancing its nuclear capability and ballistic missile programs. While the international community continues to urge North Korea to live up to its international obligations and return to authentic credible negotiations under the Six-Party Talks framework, North Korea has unfortunately shown no willingness to seriously discuss its denuclearization commitments and obligations, and additional nuclear tests remain possible. It is expected that North Korea will continue to showcase ballistic missile development (to include mobile intercontinental ballistic missiles and intermediate range Musudan missiles) and conduct launches in direct violation of several United Nations Security Council Resolutions (such as the short-range ballistic missile launches in March 2015). North Korea already announced its intent to conduct “annual and regular” drills to advance this prohibited capability.

Additionally, North Korea demonstrated the will to employ cyber techniques to impose costly damage to civilian companies, as was demonstrated in the high-profile attack on Sony Pictures Entertainment. North Korean cyber actors continue to conduct cyber actions against South Korean military and civilian networks. USPACOM remains concerned about the destructive nature of this state sponsored cyber-attack targeting a commercial entity and its employees in the United States. These actions demonstrate North Korea’s disregard for international norms. North Korea’s actions are beyond the bounds of acceptable state behavior in cyberspace.

Territorial and Maritime Issues: Territorial and maritime issues in the East and South China Seas, if not handled properly, may negatively impact stability in the regional and the security environment. The claimants' use of maritime law enforcement vessels to enforce their claims has largely kept these issues out of the military sphere, despite a steady increase in military air and sea patrols. While no country appears to desire military conflict, an escalation due to a tactical miscalculation cannot be ruled out.

In the East China Sea, Japan and China both claim sovereignty over the Senkaku Islands. While the United States does not take a position on ultimate sovereignty over the islands, it has long recognized Japanese administration of them. China’s behavior in the area has resulted in close encounters at sea, aggressive Chinese air intercepts of Japanese reconnaissance flights,

inflammatory strategic messaging, and the no-notice declaration of a Chinese Air Defense Identification Zone in the East China Sea.

The South China Sea issues are complex. Six claimants (China, Vietnam, Malaysia, Brunei, Taiwan, and the Philippines) have overlapping claims in the South China Sea. As the South China Sea claimants' populations and economies continue to grow, access to the oil, gas, minerals, and fisheries within the South China Sea becomes more important. Claimants appear to be asserting their claims through increased maritime patrols, outpost and facility construction, and land reclamation.

China has the broadest claim with its self-proclaimed "Nine-Dash line" that covers almost the entire South China Sea. China's lack of clarity with regard to its South China Sea claims, and China's attempts to unilaterally enforce its ambiguous claims, has created uncertainty in the region. Any use of the nine-dash line by China to claim maritime rights not based on claimed land features would not align with international law. The international community would welcome China to clarify or adjust its nine-dash line claim and bring it into accordance with the international law of the sea, as reflected in the Law of the Sea Convention.

To achieve its long-term goals in the region, China is executing a strategy that includes expanding outposts in contested areas through land reclamation on South China Sea features, taking actions to prevent other nations from establishing / maintaining outposts, exploring for natural resources in disputed waters, and increasing its naval and air forces' presence through exercises and patrols. China's aggressive land reclamation and construction projects at eight South China Sea military outposts include new buildings, more capable berthing space for ships, and presumably an airfield on the Fiery Cross Reef (China's largest reclamation project). Although land reclamation cannot, for example, change a submerged feature into a natural island that generates any legal entitlements to maritime zones, the completion of these projects will give China the ability for greater presence, increase dwell time for military and coast guard assets, and expand the areas covered by surveillance and area-denial systems. Examples of activities supporting China's long-term strategy include attempts to block resupply missions to the small Philippine garrison at Second Thomas Shoal and exclude Philippine and other

fishermen from the disputed Scarborough Reef. Last year, China also moved a China National Offshore Oil Corporation drilling platform into Vietnam's claimed Exclusive Economic Zone resulting in a tense standoff between Vietnamese and Chinese maritime assets substantially increasing the possibility of miscalculation between the two countries.

The U.S. does not take a position on issues of sovereignty with respect to territorial claims in the East and South China Sea, but we do insist that all maritime claims must be derived from land features in accordance with international law as reflected in the Law of the Sea Convention. The U.S. also continues to emphasize the importance that maritime and territorial disagreements be resolved peacefully in accordance with international law and opposes the use of intimidation, coercion, or force to assert claims. An example of such an attempt at peaceful resolution is the Philippines' arbitration against China under the Law of the Sea Convention that is being heard by a tribunal in The Hague. Of note, China has refused to participate in this arbitration to date.

Natural Disasters: The Indo-Asia-Pacific accounted for over 40% (1,690 incidences) of the world's reported natural disasters during the period between 2004 and 2013, and, because of the region's coastal population density, these disasters were particularly deadly, claiming more than 700,000 lives. The Pacific Rim's tectonic plate structure produces its well-known Ring of Fire, which regularly triggers earthquakes, volcanoes, and tsunamis. Weather extremes and anomalies continue to plague the region. Understanding the scope and severity of long-term climate change, unexpected climate shocks, and climate variability events such as El Nino are shared global challenges.

In addition to seismic and climate challenges, areas of large populations, dense living conditions, and poor sanitary conditions in the region create optimal conditions for the rapid spread of human- or animal-borne diseases. To address these challenges, USPACOM focuses on pre-crisis preparedness with training and exercises. For example, many of the lessons learned and preparedness measures implemented after Typhoon Haiyan (Operation Damayan, November 2013) resulted in less damage and loss of life when Typhoon Hagupit passed over the Philippines last December. U.S. forces regularly train with allies and partners on humanitarian assistance and disaster relief operations and stand ready to respond in support of interagency partners to a

natural disaster or the frequent vectors of disease that plague the region. Regional information sharing and rapid response to health crises are improving, but the danger remains high. USPACOM will continue to focus on improving pre-crisis preparedness and working with allies and partners in the region to ensure an effective response when an event occurs.

Violent Extremism: The ongoing conflict in Syria and Iraq attracts foreign fighters from countries throughout the Indo-Asia-Pacific. Current assessments indicate approximately 1,300 foreign personnel fighting alongside the self-proclaimed Islamic State of Iraq and the Levant are from the Indo-Asia-Pacific. A small number of these combat-experienced fighters who return home could enhance the capability of regional extremist networks within the most densely populated areas of the world. In South Asia, partner nations maintain pressure on extremist networks but face a persistent threat from transnational groups that continue adapting to shifting geopolitical factors, competition among global extremist groups, and counterterrorism actions by the U.S. and its regional allies. Al-Qa'ida's increased rhetoric focused on South Asia and the announcement of a new affiliate, "Al-Qa'ida in the Indian Subcontinent," suggest Al-Qai'da will focus resources on uniting established terrorist groups to engage in jihad in South Asia. Lashkar-e Tayyiba and other Pakistan-based groups continue fighting in Afghanistan, but they will likely shift some of their operational focus to the Indian Subcontinent in the next one to three years as Coalition forces drawdown. In Southeast Asia, regional partners maintain persistent pressure on extremist networks; however, competing security priorities in the region, coupled with the sensationalism of developments in the Middle East, have pressurized counter-terrorism attention. Extremist groups are increasingly interconnected and the region remains a potential safe haven, facilitation hub, and area of operations for extremists.

Proliferation Issues: Rapidly developing technology manufacturing sectors in the Indo-Asia-Pacific region have in many states outpaced the concurrent development of those states' effective export controls. The region includes some of the busiest maritime and air ports in the world with shipments of proliferation concern likely passing through these ports almost daily. These shipments include dual-use items—commercial items controlled by the nuclear, ballistic missile, and chemical/biological weapons control regimes, others covered by associated catch all controls—manufactured in or re-exported from states with spotty export control enforcement.

Iran built its robust nuclear infrastructure and advanced its ballistic missile systems with materials that passed through the USPACOM AOR; North Korea continues to procure for its nuclear and ballistic missile programs—and proliferate conventional arms for revenue generation—using a network of individuals and entities throughout the region. PACOM engages regional partners in capacity-building activities designed to improve export controls and interdiction capabilities in the region. In August 2014 PACOM hosted personnel from 31 nations as part of the Proliferation Security Initiative (PSI) Exercise Fortune Guard, which marked the beginning of a six-year series of exercises that various “expert” nations in the region will host. (New Zealand, Australia, Singapore, Japan, South Korea and the United States) Exercises such as Fortune Guard provide nations a forum to demonstrate the intention to act and share the best tactics against proliferators, emphasizing a whole-of-government approach to confront this complex challenge.

Transnational Crime: There is a growing trend for regional human and drug trafficking organizations to operate as global enterprises. In addition to the devastating impact widespread drug use has on a society, the revenue generated from these illicit activities fund terrorists and Violent Extremist Organizations. Methamphetamine and amphetamine-type stimulants continue to be the primary drug threat in the USPACOM AOR. The majority of Methamphetamine available in the United States comes from Mexico, primarily across the South West Border Region, and an estimated 90% of the precursor chemicals used to produce Mexican Methamphetamine comes from China. Further, the annual volume of Methamphetamine seizures made along the United States South West Border Region has exceeded Cocaine seizures in the past three years.

Nearly 21 million victims of human trafficking are estimated worldwide and nearly two-thirds are from Asia, with India, China, Indonesia, Bangladesh, and Thailand among the countries with the highest number of victims. Women and children – especially those from the lowest socioeconomic sectors – are the most vulnerable demographics. Roughly a quarter end up in the commercial sex trade, while others are forced into difficult and dangerous positions in factories, farms, or as child soldiers. Still others are bound to families as domestic servants. Human trafficking victims often suffer physical and emotional abuse and social stigmatization while

being denied their basic human rights and fundamental freedoms. While awareness is rising, much remains to be done to combat this particularly heinous crime. USPACOM forces build partnership capacity and share intelligence in order to combat these transnational threats.

Russian Intent: Russia is reasserting itself politically and militarily in the Pacific. In the USPACOM AOR, Russian Navy and Long Range Aviation operational tempo have recently increased significantly, but not above Cold War levels. Though challenged by maintenance and logistical issues, Russian Navy cruisers, destroyers and frigates have increased their operations and reach. The Russian Pacific Fleet sent ships to support operations in the Middle East and Europe, while Russian ships from the Baltic and Black Sea Fleets deployed into the Asia-Pacific. Russian BEAR bombers and reconnaissance aircraft regularly fly missions in the Sea of Japan and continue operations as far east as Alaska and the west coast of the continental U.S. The anticipated fielding later this year of Russia's newest class of nuclear ballistic missile submarine (Borei-class SSBN) and upgrades to Russia's land-based ballistic missiles will modernize Moscow's nuclear capability in the Asia-Pacific. Russian ballistic missile and attack submarines remain active in our region. Russia aims to demonstrate military capabilities commensurate with its Pacific interests: ensuring Russian sovereignty, sovereign rights, and jurisdiction in the Asia-Pacific, strengthening its sphere of influence, and projecting a credible deterrent force.

Chinese Military Modernization and Strategic Intent: Recent statements by senior PRC leaders, such as PRC President Xi Jinping, suggest that the PRC may be attempting to advance a vision for an alternative security architecture in Asia that affords Beijing increased influence in the region and diminishes the role of the United States. This Chinese view was highlighted in Shanghai last summer at the Conference on Interaction and Confidence Building Measures in Asia. At the conference, President Xi Jinping called on all of Asia to support the development of a new security order centered on China. The proposed new order also requires a curtailment of alliance-strengthening diplomacy, of which the "U.S. Rebalance to Asia" is noted as the greatest offender. China is proposing an alternative strategy to regional security issues where the U.S. plays, at best, a deferential role.

China is engaged in a comprehensive military modernization program to transform its forces into a high-tech military capable of conducting complex operations. Many of China's initiatives are intended to develop capabilities to deter or counter third-party intervention in regional contingencies. These anti-access/area denial (A2AD) capabilities are focused on controlling access and freedom of operations in vast portions of the air and maritime domains, as well as space and cyberspace. These include a series of sophisticated and increasingly long-range anti-ship cruise missiles, ballistic missiles, air-to-air and air-to-ground missiles, and kinetic and non-kinetic counter-space systems. China is also making significant advances in electronic warfare capabilities, which are contributing to the A2AD challenge.

China continues an aggressive ship building program to produce and field advanced frigates, destroyers, and the first in-class cruiser-sized warship. Chinese shipyards are also producing newer, more capable submarines as they inactivate older submarines, resulting in a fleet that is not growing substantially in number but is significantly more capable. Advances in China's strategic capabilities remain significant. China now has three operational JIN-class ballistic missile submarines (Type 094), and up to five more may enter service by the end of the decade. The JIN-class submarine carries the JL-2 submarine launched ballistic missile with a range capable of reaching the U.S. and will give China its first credible sea-based nuclear deterrent. Nuclear deterrence patrols will likely commence this year. Lastly, we expect China to soon begin constructing an indigenous aircraft carrier.

China is using computer network exploitation capabilities to support intelligence collection to advance its defense and high-tech industries. Through a sophisticated cyber program, China is generating insights on U.S. security policies, defense networks, logistics, and military capabilities.

As the Chinese military modernizes its capabilities and expands its presence in Asia, U.S. forces are drawn into closer and more frequent contact and the risk of an accident or miscalculation increases. This places a premium on efforts to increase mutual understanding and trust in order to reduce risk. The Chinese Navy is more frequently operating in the Indian Ocean, expanding the area and duration of operations and exercises in the Western and Central Pacific Ocean, and

periodically venturing into other non-traditional areas, as exemplified by recent port visits to Europe. The complexity of the regional and global security environment, as well as China's military advancements, necessitates a continuous dialogue between the U.S. and Chinese militaries to expand practical cooperation where national interests converge and discuss areas where goals diverge, especially during periods of friction.

Allies and Partners

The U.S.' five treaty allies in the Indo-Asia-Pacific are: Australia, Japan, Republic of Korea, Philippines, and Thailand. In addition to U.S. treaty alliances, the U.S. continues to strengthen existing partnerships and build new relationships to advance common interests and address shared concerns. U.S. allies and key partners in the theater play a fundamental role in addressing the security challenges. Strengthening and modernizing alliances and partnerships is a top USPACOM priority.

Australia: Australia continues to be a close, steadfast, and effective ally in the Indo-Asia-Pacific. The alliance anchors peace and stability in the region, and Australia has taken a leading role in addressing regional security and capacity-building issues, including lead roles in Humanitarian Assistance and Disaster Relief events. Australia is also a key contributor to global security, including counter-ISIL efforts in Iraq and the Resolute Support mission in Afghanistan. With the ongoing implementation of the Force Posture Initiatives, which provide expanded opportunities for bilateral and multilateral engagement, the Marine Rotational Force-Darwin successfully completed its third rotation while increasing its presence from 250 to 1,177 U.S. Marines. The U.S. Air Force is increasing its rotation of aircraft to Australia. In addition to the Force Posture Initiatives, the U.S. and Australia are identifying additional opportunities to increase collaboration in counter-terrorism, space, cyber, and integrated air missile defense and regional capacity building. Australia is procuring a number of high-tech platforms that will increase interoperability such as the F-35 Lightning II, P-8 Poseidon, C-17 Globemaster III, and EA-18G Growler aircraft as well as Global Hawk UAVs and MH-60R helicopters. To ensure greater synchronization and integration, the Australian Government provides a General Officer and a Senior Executive to USPACOM, as well as another General Officer to U.S. Army Pacific, as tangible examples of a mutual commitment to the alliance.

Japan: The U.S.-Japan alliance remains strong and productive through both countries' shared commitment to a full range of military capabilities with expanding responsibility for training, exercises, interoperability, and bilateral planning. Japan's 2013 National Security Strategy and the 1 July 2014 cabinet decision on collective self-defense are positive developments and indicators of Japan's ability and willingness to assume a greater role in the regional security architecture. The Abe administration will submit implementing legislation to the National Diet during its spring session, and debate is expected to conclude in summer 2015. The US-Japan Guidelines for Defense Cooperation are being revised, and that process will conclude with public presentation of the Guidelines in the near future. We are hopeful that Japan's upcoming legislative changes support new and expanded forms of cooperation.

U.S. Forces Japan continues to build its close relationship with the Japanese Joint Staff to enhance interoperability and information sharing through realistic training, exercises, and bilateral planning. USPACOM will continue to maintain a robust military presence in Japan to meet future security challenges and encourage greater trilateral military engagements with the Republic of Korea (ROK) and Australia.

Efforts continue toward improving US-Japan-ROK trilateral coordination in response to North Korean provocative behavior. The December 2014 signature of the US-Japan-ROK Trilateral Information Sharing Arrangement is a positive first step toward greater information sharing on North Korean missile and nuclear threats.

As Japan increases its defense spending, it is procuring a number of high-tech platforms that will increase interoperability such as the F-35 Lightning II aircraft, MV-22 Ospreys, and the Global Hawk UAV, as well as upgrading existing AEGIS destroyers with the latest BMD capability and constructing two additional AEGIS destroyers (for a total of eight BMD capable platforms). Each North Korean ballistic missile provocation validates the investment of the AN/TPY-2 radars in Japan to provide ISR against missile threats. Last year's addition of the second radar in Japan and forward deploying two additional BMD capable ships will enhance our ability to defend our ally and the region, as well as provide early warning of missile threats to the U.S.

homeland. Lastly, Japan continues to make significant infrastructure investments in country that complement the realignment of U.S. Marines from Okinawa to Guam including expanding the airfield and associated facilities at Marine Corps Air Station Iwakuni and construction of the Futenma Replacement Facility. It is important that these initiatives remain on track.

Philippines: The U.S.-Philippine alliance remains a positive source of strength and regional stability. Building upon the 1951 Mutual Defense Treaty, the Enhanced Defense Cooperation Agreement (EDCA) between the U.S. and the Government of the Philippines was signed last April. Through enhanced U.S. rotational presence, the EDCA provides expanded opportunities to conduct theater security cooperation activities and supports the Armed Forces of the Philippines (AFP) as it shifts focus from internal security to external defense. Full EDCA implementation awaits the outcome of a case before the Philippine Supreme Court, where deliberations could last into this summer.

After more than a decade, the Joint Special Operations Task Force created to counter Violent Extremist Organizations in the Philippines will stand down and the AFP will sustain that mission. Training and advising objectives that were set to address organizations such as the Abu Sayyaf Group and Jemaah Islamiyah have been met. Although the Task Force is standing down, a small USPACOM footprint will remain embedded in the Philippines to continue working with the AFP leadership and planning staffs. The AFP has demonstrated an increased capacity and capability to handle domestic threats inside their country, but USPACOM will remain committed to supporting and advising the AFP at the operational level.

Competing claims in the South China Sea continue to be a source of friction and instability. China continues large-scale land reclamation around disputed features. Furthermore, periodic resupply and troop rotations to the small Philippine outpost at Second Thomas Shoal (also known as Ayungin Shoal) are well-known points of contention with the Chinese government.

Republic of Korea: The U.S.-Republic of Korea (ROK) alliance remains strong and vital, and enduring for over six decades. Our militaries integrate complementary capabilities and enhance the relationship with honest and frank dialogue. During the most recent annual discussions, the

U.S. and ROK agreed to delay wartime operational control transfer and adopt a conditions-based approach, rather than a calendar-based deadline. The U.S. and ROK intend to modernize the alliance to better inform the development or acquisition of Alliance capabilities required to address future threats from North Korea.

USPACOM will continue to work with the ROK to address the North Korean threat. North Korea continues to be a challenge due to provocations and uncertainty, which are viewed as a threat to peace and stability in the region. The ability to rapidly respond to aggression with combined U.S.-ROK-Japan capabilities is the best way to ensure deterrence and maintain regional stability. Trilateral cooperation will improve each participant's understanding of the mutual challenges and shared opportunities that exist in and around the Korean Peninsula.

Thailand: As Thailand is the oldest U.S. alliance partner(182 years), the U.S. values its friendship with the people of Thailand. The Thai military's decision to suspend its constitution and assume control of the civilian government has impacted that relationship. Military engagements and exercises have been appropriately adjusted in a whole of government response to the coup, pending a return to a democratically-elected government. USPACOM will continue to demonstrate commitment to the U.S.' ally while reinforcing democratic values and ideals. The annual COBRA GOLD exercise co-sponsored with the Royal Thai Armed Forces is an important multi-lateral warfighting training event. This year's exercise was significantly limited in scope and scale in response to the Thai coup, and heavily focused on humanitarian assistance activities.

India: Last year, India held the largest election in its history. With new leadership in place, India is energizing the U.S.-India strategic partnership. Prime Minister Modi has focused India's foreign policy on building strong regional cohesion in South Asia. India's two decade-long "Look East Policy" has resulted in growing partnerships with Southeast Asian countries.

The U.S. military remains heavily engaged with New Delhi's military, having conducted 69 major exercises in the past five years. The Indian Navy continues its strong participation in multilateral exercises including INDRA with Russia, MALABAR with the U.S. and Japan, and

RIMPAC with 23 navies from across the Indo-Asia-Pacific. India's participation in these exercises signals their commitment as a regional security provider. Additionally, over the past three years the U.S. has been India's largest defense trading partner. Through military modernization, robust defense trade (C-17s, C-130Js, and P-8Is, among other items), and a growing network of defense partnerships, India is asserting its role as an important regional actor determined to protect common interests and ensure free access to economically vital sea lanes, although with respect to military activities, India still asserts a security interest in its EEZ that does not conform to the law of the sea.

Indonesia: Indonesia is a capable security partner in Southeast Asia, and is increasingly focused on its role as a regional power, which USPACOM continues to support as a main pillar of mil-mil engagement. Presidential elections last July demonstrated a commitment to democratic principles, and the August opening of Indonesia's new Peace and Security Center to train regional partners on peacekeeping operations reinforces its position as a leader in security assistance. A growing area of cooperation with Indonesia is defense trade, which includes the sale of AH-64E Apache helicopters and initial delivery of F-16 Fighting Falcon aircraft. Indonesia remains concerned about maintaining security and stability in the South China Sea. While their Chief of Defense has articulated a zero-war policy in the South China Sea, there are signs they are increasingly concerned over China's so-called nine dash line overlapping with part of their claimed EEZ. While Indonesia continues a foreign policy rooted in the Non Aligned Movement, USPACOM has seen significant gains in security cooperation activities. Indonesia will continue to balance its partnership with the U.S. with other nations such as Russia and China, but security cooperation with the U.S. remains a top priority.

New Zealand: New Zealand is a respected voice in international politics and a recognized leader in Oceania that shares common security concerns with the U.S., such as terrorism, transnational crime, and maritime security. Military-to-military relations and defense engagements with New Zealand continue to improve, and the U.S. and New Zealand executed the second series of annual bilateral defense dialogues last year. New Zealand's establishment of a Consulate General in Honolulu has also provided additional opportunities for USPACOM and New Zealand to engage on issues of mutual interest. This new Consulate General addition to

Hawaii is timely as the U.S. celebrates the 100th Anniversary of ANZAC with New Zealand and the Australians this year.

Oceania: Maintaining our close partnerships in Oceania is important to national security. The provisions included in the Compacts of Free Association with the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau are important mechanisms that guide the relationships. The U.S. meets its defense obligations to these nations through defense planning and preparation. In return, these compact agreements provide assured access to the three Compact Nations and their associated 5.5 million square kilometers of Pacific in a contingency situation. They also give the U.S. authority to grant or deny access to another nation's military forces, which allows the maintenance of a clear strategic line of communication across the Pacific. The U.S.'s continued commitment to defend the Compact Nations and to partner with other Pacific island countries sends a strong message throughout the region and reinforces its commitment to the Pacific Rebalance.

Fiji currently has its first democratically elected government since its military coup in 2006. In 2015, Fiji will re-enter into regional forums (e.g., Pacific Island Forum) and have new opportunities for engagement with the U.S. Several other countries (Papua New Guinea, the Solomon Islands, and Vanuatu) may face government reorganizations over the next year. These events may set back specific projects but will not likely impact stability or affect overall U.S. engagement.

Climate change will continue to be an important issue across the Oceania region. This year's forecasted El Nino event will likely result in drought and increased tropical cyclone activity. The Republic of Marshall Islands will almost certainly face water shortage resulting in requests for aid or disaster declarations under the Compact of Free Association. Fiji, Kiribati, the Federated States of Micronesia, Papua New Guinea, Samoa, and Tonga will likely face similar situations. The December 2014 United Nations Climate Change Conference addressed the impact of rising sea levels - a keen interest to Pacific Island Nations.

Singapore: Singapore continues its important role in regional security initiatives. Singapore's role as a 'Major Security Cooperation Partner' is underscored by longstanding support of U.S. naval forces. For example, USS Freedom completed a ten month deployment in 2013, and USS Fort Worth is currently on a 16 month deployment. These forward forces contribute to naval readiness and partner capacity building and enable rapid response to many crises, including Operation Damayan in the Philippines and Air Asia recovery efforts. Additionally, Singapore's Changi Naval Base remains a key enabler to providing critical support to the USS Fort Worth and other forward operating forces.

U.S. – China: In light of an increasingly complex regional and global security environment, including advances in China's military capabilities and its expanding military operations and missions, the overall U.S. approach to China calls for a continuous dialogue between the armed forces of both countries to expand practical cooperation where national interests converge and to constructively manage differences through sustained and substantive dialogue. As a key element, the U.S.'s military engagement with China, within the guidelines of the 2000 NDAA, benefits the region, improves transparency, and reduces risk of unintended incidents, contributing to overall regional stability. The U.S. military has increased the depth of engagement with China in recent years and executed over 50 bilateral and numerous multilateral engagements last year. While these engagements are critical to improving transparency and reducing risk, the U.S. military must continue to take a pragmatic approach as the U.S. attempts to help integrate China into the existing security architecture. China's military investments, including A2AD capabilities, focused on the ability to control access and deny freedom of operations in vast portions of the air, maritime, space, and cyberspace domains raise concerns. The U.S. will need more transparency and understanding of Chinese intentions in order to minimize friction and avoid miscalculation or conflict in the future. Absent greater transparency from China, its ambiguous dashed-line claim, military modernization efforts and aggressive land reclamation in the South China Sea have significant implications for regional stability and the current security architecture.

Over the past year, the U.S. and China have agreed to mechanisms such as the Confidence Building Measures (CBMs) on Notification of Major Military Activities and Rules of Behavior

(RoB) for Safety of Air and Maritime Encounters, designed to underscore and reinforce existing international law and standards while improving transparency, building trust, and reducing risk of unintended incidents. The surface-to-surface encounters annex of the RoB CBM was signed last year and the air-to-air annex is scheduled to be completed by the end of this year. These new Rules of Behavior are non-binding and capture existing legal rules and standards. Additionally, the U.S. and China continue to use the Military Maritime Consultative Agreement meetings to discuss safety in the maritime domain and avoid crises. As China continues to grow its military capacity and capability and operate further from its territory, these mechanisms become more important.

Both militaries have had success addressing areas of common interest, such as counter piracy, military medicine, and HA/DR. Some of the most successful engagements were focused on military medical cooperation and shared health concerns. For example, the USPACOM surgeon hosted Chinese counterparts in Hawaii and Washington, DC, which resulted in concrete opportunities for continued military medical cooperation focused on Disaster Response, Pandemic and Emerging Infectious Diseases, and Soldier Care. In January 2015, the PLA hosted the USPACOM Surgeon and component surgeons for a highly successful reciprocal visit. Demonstrating China's increasing ability to operate beyond the Western Pacific and a successful engagement on an area of common concern, last December, U.S. and Chinese ships conducted counter piracy exercises in the Gulf of Aden and off the Horn of Africa. China's participation in international efforts to address these problems and to operate and exercise with the U.S. and its allies and partners in a manner consistent with international law and standards is welcomed.

Building and Strengthening Relationships

The future security and prosperity of the Indo-Asia-Pacific depends upon building bilateral and multilateral relationships. Strong relationships, facilitated by a U.S. forward presence, advance common interests and address shared threats. USPACOM strengthens relationships with U.S. allies and partners through security cooperation and capacity building, bilateral and multilateral approaches, and senior leader engagement.

Security Cooperation and Capacity Building: USPACOM enhances interoperability and information sharing with allies and partners in order to cooperatively address regional challenges. USPACOM's Security Cooperation approach is focused on building partner readiness, assisting with partner capability gaps, identifying partner shortfalls, and addressing the most critical capacity shortfalls. Last year, USPACOM identified C4ISR as a top priority for Security Cooperation with the Republic of Korea (ROK) and contributed to the U.S. supporting the ROK purchase of Global Hawk – a High Altitude UAV platform that will help close the gap in some of the security challenges on the Korean Peninsula. Supporting USPACOM's approach to addressing partner capability and capacity shortfalls will reduce risk, effectively use Security Cooperation and Assistance resources, and maintain the momentum to bring the right capabilities into the AOR.

As mentioned earlier, the progress the Republic of the Philippines continues to make in addressing violent extremists groups inside their country is a testament to building capacity in USPACOM's foreign internal defense efforts. USPACOM is also building capacity to counter drug trafficking in the AOR through Joint Interagency Task Force – West (JIATF-W) engagements with China. Through a partnership with the Internal Revenue Service, JIATF-W has leveraged Department of Defense counternarcotic authorities to open up an additional avenue of cooperation with Chinese officials by providing anti-money laundering training linked to counterdrug efforts. These efforts are only just beginning, but show promise in improving communication, cooperation, and information sharing on significant criminal enterprises operating in both the U.S. and China.

Lastly, increasing international representation at the USPACOM headquarters has improved collaboration with allies and partners and created a more agile and effective command and control architecture. The new USPACOM model integrates sixteen foreign exchange officers and liaison officers from six countries and facilitates a seamless transition from routine business to crisis. Included in these numbers are three foreign exchange Flag Officers and Senior Executives in key billets on the USPACOM staff.

Bilateral and Multilateral Approaches: With the exception of North Korea, USPACOM continues to build and strengthen bilateral relationships with all of the nations in the Indo-Asia-Pacific. USPACOM maintains a close link with the five U.S. treaty allies and other partners in the region through a series of formal bilateral mechanisms. In Australia, key engagements stem from the ANZUS treaty obligations, guided by USPACOM's premier bilateral event with Australia, the Military Representatives Meeting. Similarly, USPACOM's military to military relationship with Japan is guided annually by the Japan Senior Leader Seminar, which USPACOM utilizes to ensure the bond with Japan remains strong. USPACOM continues to rely on the alliance with the Republic of Korea to maintain peace and stability in Northeast Asia, and the annual Military Committee and Security Consultative Meetings are the preeminent bilateral mechanism to guide this alliance forward. Each year, USPACOM co-hosts the Mutual Defense Board and Security Engagement Board with the Armed Forces of the Philippines to discuss ways this critical alliance can modernize to meet 21st-century challenges. Lastly, USPACOM depends on annual Senior Staff Talks with Thailand to address shared regional security concerns while reinforcing U.S. commitment to democratic principles.

Similar bilateral mechanisms exist with partners throughout the USPACOM AOR, including Bilateral Defense Discussions with Indonesia, Vietnam, and others, as USPACOM continues to foster bilateral ties to enhance regional stability. Bilateral mechanisms with allies and partners form the strategic foundation of the security architecture that ensures peace and stability while defending U.S. interests in the Indo-Asia-Pacific.

While bilateral mechanisms remain important, USPACOM continues to emphasize multilateral approaches. USPACOM works with regional forums such as the Association of Southeast Asian Nations (ASEAN) to encourage multilateral relationships that build trust, prevent misperceptions that can lead to conflict, and reinforce international standards of conduct. For example, USPACOM arranges an annual Chiefs of Defense (CHOD) Conference as its premier multilateral engagement tool for candid discussions with 20-plus Chiefs of Defense in the region. Each year the CHOD Conference alternates between USPACOM and a co-host country; Brunei hosted last year's successful conference. The 2015 CHOD Conference will be held in Hawaii and is designed to promote multilateral cooperation and provide a forum for the theater's military

leaders to share regional and global perspectives on common challenges. USPACOM also participated in other multilateral events in the region, such as the Fullerton Forum and Shangri-La Dialogue, to encourage multilateral solutions to shared challenges, as well as provide a venue for continued dialogue and strengthening security partnerships in the region.

One of the most important multilateral forums in the theater is ASEAN. The ten member states in ASEAN, under the chairmanship of Myanmar last year and Malaysia this year, seek to improve multilateral security activities and advance stability in the Indo-Asia-Pacific. Approximately \$5.3 trillion of global trade (\$1.2 trillion is U.S.) passes through ASEAN waterways each year. The ten member states of ASEAN form the fourth largest U.S. export market and fifth major trade partner. ASEAN continues to address common threats in the region including Maritime Security, Terrorism, Transnational Crimes, Cyber Security, and Humanitarian Assistance and Disaster Response. ASEAN demonstrated during past disasters, such as Typhoon Haiyan and the Malaysian Flight 370 search operations, that practical cooperation among member states can enable civilian and military agencies to be more effective and efficient.

Last April, Defense Secretary Hagel hosted the ten ASEAN Defense Ministers, the United Nations Office for the Coordination of Humanitarian Assistance (UNOCHA), and other non-government organizations in Hawaii to discuss disaster response and maritime security. UNOCHA hosted an Integrated Civil-Military Regional Response Planning Workshop for Large-Scale International Disaster Relief last October and the USPACOM staff will continue the maritime security dialogue by hosting a Maritime Domain Awareness discussion this May. USPACOM will continue supporting ASEAN as it builds regional tools and forums such as the ASEAN Economic Community by the end of 2015. Additionally, there is hope that the ASEAN members and China can conclude a binding and enforceable Code of Conduct mechanism for the South China Sea.

The Daniel K. Inouye Asia-Pacific Center for Security Studies (APCSS) also contributes to multilateral engagements and rules-based security governance. Through its executive education courses, workshops, and sustained alumni engagement activities, the Center contributes to the

USPACOM Theater Campaign Plan by building U.S. and partner nation capacities. Success stories include the APCSS-facilitated development of Papua New Guinea's first-ever national security policy, a framework for an Indonesian defense white paper, and Bangladesh's first comprehensive maritime security strategy proposal. Additionally, APCSS helped with the successful completion of Nepal's disarmament, demobilization, and reintegration program for dealing with Maoist ex-combatants, and the signing of an inter-party agreement to overcome political crisis—both led by a core group of APCSS alumni.

Senior Leader Engagement: USPACOM and its components leverage senior leader visits to increase dialogue on issues of shared concern, build and strengthen relationships, and convey U.S. commitment to the region. Each year, hundreds of senior military and government leaders address security challenges through counterpart visits which greatly enhance understanding, interoperability, and trust. Examples of senior leadership engagements in the Indo-Asia-Pacific over the past year include:

- The President attended the G-20 Summit in Australia, the Republic Day ceremony in India, the Asia Pacific Economic Cooperation Forum in China, and the East Asia Summit in Burma.
- The President also increased engagements in the theater to strengthen alliances in the Republic of Korea, Japan, and the Philippines, and to deepen ties with Malaysia.
- The Secretary of State visited the Republic of Korea; China; and Indonesia. He also traveled to India for the 5th Strategic Dialogue Conference; to Burma for a series of ASEAN discussions; Australia for annual Ministerial Consultations; and the Solomon Islands.
- The Secretary of State and Secretary of Defense held a 2+2 meeting with their ROK counterparts in Washington.
- The Secretary of Defense traveled to Japan for bilateral security discussions; Mongolia and Singapore for key leadership meetings; India for defense consultations; Australia for AUSMINs and to sign the Force Posture Agreement; and China for Confidence Building Measure discussions.
- The Chairman of the Joint Chiefs toured the Changi facilities in Singapore; participated in security and military discussions in Vietnam (first CJCS to visit since 1971); Australia for the

Defense Chiefs Strategic Dialogue conference and bilateral events; and both Japan and the Republic of Korea for key counterpart visits.

These senior leader engagements are critical to identifying opportunities and addressing security challenges in the region. Additionally, Congressional delegations to the theater are of significant benefit.

Effective and Assured Presence

Effective and assured presence of USPACOM forces is required to meet the challenges and opportunities within USPACOM's AOR. As strategic warning timelines decrease, early identification of potential crises is key to rapidly assessing and shaping events. It also places a premium on robust, modern, agile, forward-deployed forces, maintained at high levels of readiness. Assured presence is supported by posturing forward-deployed forces, fielding new capabilities and concepts, addressing critical gaps, and maintaining readiness in order to defend the homeland, strengthen and modernize our alliances and partnerships, maintain access in the air and maritime domains, counter aggression, and prevent the proliferation of weapons of mass destruction and violent extremism.

Posture: Sustaining effective and forward presence begins with having the necessary military infrastructure and access to support forward-stationed and rotational forces. USPACOM's posture effectively communicates U.S. intent and resolve to safeguard U.S. national interests, strengthen alliances and partnerships, maintain an assured presence in the region, prevent conflict, and if necessary, respond rapidly and effectively across the full range of military operations.

USPACOM faces three key challenges related to force posture. The first is operating in an AOR that covers 52% of the earth's surface. The vast distances complicate ISR, movement/maneuver, and sustainment, and require a geographically distributed force laydown to rapidly respond to crisis. The second challenge is the growth of military capabilities in the region. The Indo-Asia-Pacific is the most militarized region in the world. Maintaining the ability to defend strategic national security interests in an increasingly complex and lethal environment requires a force

posture that is operationally resilient. Finally, expanding access to regions in South and Southeast Asia requires access and forward staging arrangements that are politically sustainable. In support of USPACOM's objectives, the military services and our allies and partners are making investments to improve U.S. force posture. Examples of these investments are:

- Construction in Iwakuni, Japan to allow a carrier air wing to relocate from Atsugi
- Expanding base facilities and capabilities in Okinawa for Futenma replacement
- Operationalizing Enhanced Defense Cooperation Agreement with the Philippines
- Expanding future capabilities through construction at Camp Humphreys, ROK
- Reinforcing Guam's munitions and fuels piers at Apra Harbor
- Implementing Force Posture Initiatives through troop rotations and, ultimately, facility upgrades and construction in Darwin, Australia
- Building hardened C2 and aircraft shelters at Andersen AFB, Guam
- Installing and fortifying fuel nodes, manifolds, and lines in Guam and Japan
- Implementing rotational forces through USFK
- Developing divert options and training ranges in the Northern Marianas Islands
- Dredging port facilities to requisite depths to allow pier operations in Naha, Japan

These posture investments are part of USPACOM's holistic infrastructure investment strategy and are key to continued mission success.

Much of the supporting infrastructure in the Pacific and on the West Coast of the U.S. mainland was established during World War II and during the early years of the Cold War. The infrastructure now requires investment to extend its service life. The military services continue to invest in sustainment, restoration, and modernization (SRM) to provide quality facilities to support service members and their families; however, during times of austere budgets, the military services struggle to maintain infrastructure SRM funding levels. These forced decisions undermine the significant investment in facilities made by DoD and Host Nation Funded Construction programs over past decades.

Reduced SRM funding will negatively impact the ability to bring new forces and capabilities into the theater and maintain critical infrastructure. The U.S. and the theater benefit from the

significant levels of investment made by allies and partners. For example, the Republic of Korea is significantly contributing to the cost of keeping U.S. Forces on the Korean Peninsula. The Government of Japan has committed up to \$3.1 billion to help realign U.S. Marines from Okinawa to Guam and other locations and \$4.5 billion to expand the airfield and associated facilities at Marine Corps Air Station Iwakuni.

The Commonwealth of the Northern Mariana Islands (CNMI) Joint Military Training initiative (CJMT) is an important posture undertaking. CNMI remains strategically important as a forward and sovereign U.S. location with lease rights until 2033 and extendable to 2083. When the U.S.-Japan Defense Policy Review Initiative moves approximately 4,700 U.S. Marines from Japan to Guam, the CJMT will enable this U.S. Marine force to train and maintain operational readiness. Specifically on the island of Tinian, the CJMT initiative will provide live-fire ranges and training areas. The CJMT will optimize future training ranges for joint and combined exercises with allies and foreign forces. As a part of aviation resiliency initiatives, divert and alternate air fields are also being explored on the islands of Saipan and Tinian along with other locations in the broader Western Pacific.

Forward Deployed Forces: The tyranny of distance, which defines the USPACOM AOR, requires forward deployed forces to engage with allies and partners, respond rapidly to crisis or contingencies, defend the homeland, and reinforce U.S. commitment to the region. To increase USPACOM's forward deployed forces and capabilities, the military services are:

- Rotationally deploying Navy Littoral Combat Ships into Singapore
- Forward deploying two additional ballistic missile defense-capable surface ships to Japan
- Increased deployments and rotations of E-8 JSTARS, E-3 AWACS, and E-2D Advanced Hawkeye in theater
- Replacing the USS George Washington with the more capable USS Ronald Reagan aircraft carrier in Japan
- Installing an advanced radar in Australia
- Continuing to deploy and operate F-22s in theater
- Completing a second ballistic missile defense radar in Japan
- Stationing additional submarines in Guam

- Improving rotational force presence in the Philippines, Singapore, and Australia

New Systems and Operating Concepts: Crafting new concepts and fielding new systems is fundamental to employing a credible force. For example, the military services are:

- Replacing P-3 maritime patrol aircraft with newer and more capable P-8s
- Deploying tilt rotor aircraft for Marines and Special Forces and new unmanned capabilities throughout the AOR
- Forward stationing High Speed Vessels and Mobile Landing Platforms in the USPACOM AOR
- Introducing Naval Integrated Fire Control – Counter Air Aegis Destroyers
- Expanding the U.S. Army Pacific Pathways deployment concept
- Preparing for F-35 Joint Strike Fighters deployment with maintenance hubs in Japan and Australia

Addressing Critical Capability Gaps: The most technical, high-end military challenges are in the USPACOM AOR, and are growing. While many improvements to posture, forward deployed forces, capabilities, and concepts have been made to address these challenges, there are a number of mission sets and enablers that require continuous focus and attention. These include areas such as Undersea Warfare, Intelligence/Surveillance/Reconnaissance, space, battle management, command and control, cyber, munitions, Ballistic Missile Defense and Integrated Air and Missile Defense systems, and capacity shortfalls in theater enablers such as petroleum redistribution and lift.

Undersea Warfare is a mission set that requires constant attention to maintain a decisive advantage. Of the world's 300 foreign submarines, roughly 200 are in the Indo-Asia-Pacific region; of which, 150 belong to China, North Korea, and Russia. Countries operating these systems view the platforms as a mechanism to affect the balance of power in their favor. Even small navies that possess submarines hold a distinct advantage over a navy without the capability.

There is a significant leap underway in the Indo-Asia-Pacific in undersea capability as newer submarines replace older variants. In the past few years, Singapore, India, Vietnam and Malaysia have all received modern diesel submarines and China is on a modernization path to improve the lethality and survivability of its attack submarines with the introduction of quiet, high-end, diesel-powered and nuclear-powered submarines. Russia is also modernizing its existing fleet of Oscar-class multi-purpose attack nuclear submarines (SSGNs) and producing their next generation Yasen-class SSGNs.

In addition to attack submarines, there are important developments underway that will increase Chinese and Russian strategic deterrent patrol capability and capacity. China has three operational JIN-class ballistic missile submarines and up to five more may enter service by the end of the decade. Additionally, Russia is planning to field its newest Borei-class nuclear ballistic missile submarines in the Pacific later this year. Submarine detection and tracking is a complex problem set and will continue to be one of the most important functions of naval forces. A continued and sustained investment in the U.S. nuclear submarine force, advanced Undersea Warfare technologies, capabilities and capacity, and readiness is necessary to outpace the growing challenges.

Persistent and deep-look ISR capabilities and supporting architecture are required to prevent strategic surprise, assess the security environment, and support actions that impose cost or defeat potential adversaries. Although ISR capacity and capabilities have increased, significant capacity issues remain. Efforts to mitigate ISR capacity issues, as well as develop new capabilities, are ongoing. Additionally, an ISR processing, exploitation, and dissemination enterprise that is interoperable and shared with Allies and Partners is important. Without a concerted effort to continue advancing U.S. capabilities, the U.S. risks missing key indications and warnings in an environment where situational awareness affects decision space.

Satellite communications (SATCOM) is an essential enabler to exercise Command & Control (C2) and enabling ISR. Satellite space continues to grow increasingly congested and contested, and adversaries continue developing means to curtail access to space-enabled capabilities. A resilient space-based command, control, and ISR architecture remains a USPACOM priority.

There is a growing need to sustain and modernize airborne early warning systems to execute multi-mission, multi-domain integrated command and control. The cruise missile, air, and UAV threats in the USPACOM AOR require robust, long range Battle Management, Command and Control (BMC2) and Wide-Area Surveillance (WAS) platforms capable of operating in a contested environment. Developing and modernizing the capabilities within the BMC2 and WAS platforms to track and operate in a communications contested or degraded environment is necessary to meet the challenges of future operational environments in the Pacific; these platforms must be interoperable with military services, partners, and allies.

Related, the Joint Information Environment (JIE) increments I and II have the potential for consolidation of each military services' command, control, communication, and computers programs. JIE II will further strengthen collective cyber security and defense posture in the region, improve staff efficiency and support, and strengthen interagency and international relationships. JIE II will require an information infrastructure adaptable enough to accommodate multiple security classification levels with the interoperability and sharing capability to maximize mission effectiveness. JIE II is a necessary next step to mitigate the risk posed by persistent cyber threats. These threats continue to grow.

Increased cyber capacity and use, especially by China, North Korea, and Russia, underscore the growing requirement to evolve our command, control, and operational structure authorities. In order to fully leverage the Cyber domain, Combatant Commanders require an enduring theater cyber operational command resourced to provide regional cyber planning, integration, synchronization, and direction of cyberspace forces. The theater cyber operational command will provide direction of operations against increasingly capable threats in coordination with USCYBERCOM, the interagency, and allies and partners. USPACOM sees a future where Joint Force Cyber Component Command (JFCCC) are aligned regionally under Combatant Commands. JFCCCs will provide staffing and expertise required to oversee persistent operations and defense of theater information networks, synchronization of cyber risk assessments and intelligence, and development of flexible cyber effects.

Munitions are a critical component of combat effectiveness and readiness. A number of munitions improvements in lethality, production, and precision are required. There is a growing need for ship-to-ship and air-to-ship munitions to allow U.S. forces to defeat an aggressor from greater range. Specifically, there are troubling gaps in Anti-Surface Warfare capability and readiness that compel the accelerated fielding of a long range anti-ship missile. A long-range stand-off weapon, such as the Defense Advanced Research Programs Agency / Office of Naval Research developed Long Range Anti-Ship Missile, will meet the urgent need for an offensive anti-surface warfare capability against combatants in a contested environment. There is also a need for advancements in the air-to-air realm and for Hard Target Munitions capabilities to engage hardened targets that are growing in numbers and complexity. Area Effects Munitions are required to prevent open space aggression. Lastly, along with lethal munitions, non-lethal capabilities can prove equally valuable in supporting USPACOM's strategy and deterrence.

With North Korea continuing to advance its ballistic missile capabilities, USPACOM will continue its efforts in maintaining a credible, sustainable ballistic missile defense. The recent deployment of long range second TPY-2 radar to Japan (December 2014) along with THAAD on Guam achieving full Fully Operational Capability further enhanced U.S. homeland defense capabilities which are required to protect key regional nodes from aggressive action. In addition, over the last year the U.S., Japan, the Republic of Korea, and Australia have had better coordination and information sharing. USPACOM looks forward to continuing our work with our regional IAMD partners and expanding our ballistic missile defense cooperation and information sharing.

Equally important to having the right equipment and capabilities is the capacity of critical logistics. The time and distance required to move assets across the Pacific make it an imperative to preposition and secure munitions. Dedicated sealift must be adequately funded to posture munitions, fuel, and other supplies within theater. Agile, responsive, and sustained operations demand a resilient network of capabilities to deploy and sustain USPACOM forces.

USTRANSCOM's prepositioning strategy has emphasized positioning equipment and materiel afloat to optimize flexibility, ensure rapid responses to crises, and provide force presence; however, USPACOM still does not have enough lift to satisfy all operational requirements.

Readiness: Fundamental to USPACOM's mission is the ability to deter aggression and prevail in crisis. USPACOM's readiness is evaluated against its ability to execute operational and contingency plans, which places a premium on forward-deployed, ready forces that can exercise, train, and operate with our partner nations' militaries and follow-on forces able to respond to operational contingencies.

USPACOM maintains forward-deployed ready forces as credible deterrents, to support and defend national security interests, and to provide assurance and protection to allies and partners. Forward deployed forces, west of the International Date Line, remain responsive and relevant to mitigating risk in the event of escalating regional security events and greatly benefit from training with allies and partners in a complex environment. Ready, forward-deployed forces increase decision space and decrease response time, bolster allies' and partners' confidence, and reduce the chance of miscalculation by potential adversaries. However, redistribution of global forces that lead to moving forces out of the Indo-Asia-Pacific diminishes USPACOM's impact and effectiveness. Additionally, short-notice redeployment of USPACOM's ready, forward deployed forces to fill emergent requirements to other areas of operation increases risk to our nation's Indo-Asia-Pacific interests and objectives.

In addition to concerns with the forward deployed forces, there are troubling readiness trends associated with follow-on forces. The ability of the U.S. to surge and globally maneuver ready forces has historically been an asymmetric advantage that is now diminishing. Over the past year, the U.S. has been forced to prioritize the readiness of forward-deployed forces, at the expense of the readiness of follow-on-forces and critical investments needed to outpace emerging threats. A lack of ready surge forces resulting from high operational demands, delayed maintenance periods, and training limitations will limit responsiveness to emergent contingencies and greatly increases risk.

Budget reductions and uncertainty directly impact operations and combat readiness. Fiscal constraints disrupt the predictable, persistent funding needed to organize, train, and equip a ready force. Fiscal uncertainty degrades and disrupts long-term engagement opportunities with

strategic consequences to U.S. relationships and prestige. Resource pressures have triggered deferrals in exercises, operations, and senior leader engagement opportunities; have introduced regional doubt; and compound the risk to U.S. interests in the region. As the Service Chiefs recently testified, continuation of sequestration will further delay critical warfighting capabilities, reduce readiness of forces needed for contingency response, forego procurement of new platforms and weapon systems and further downsize weapons capacity...all of which are required for success in the USPACOM AOR. I am in full agreement with their assessments and remain deeply concerned about the growing risk to U.S. interests in the Indo-Asia-Pacific.

Conclusion

It has been over three years since the President announced the U.S. Rebalance to the Asia-Pacific. The Rebalance is focused on modernizing and strengthening treaty alliances and partnerships through cooperative agreements, building partner capacity, and increasing regional cooperation, interoperability, and security capabilities. From the military perspective, the U.S. is accomplishing what it set out to do and the Rebalance is working. However, fiscal uncertainty resulting from the Budget Control Act could arrest progress and place some initiatives at risk. Building on the positive momentum of the Rebalance to the Pacific is critical to protecting U.S. interests in the region. Thank you for your continued support to USPACOM and our men and women, and their families, who live and work in the Indo-Asia-Pacific.

[The written statement of General Scaparrotti follows:]

STATEMENT OF
GENERAL CURTIS M. SCAPAROTTI
COMMANDER, UNITED NATIONS COMMAND;
COMMANDER, UNITED STATES-REPUBLIC OF KOREA COMBINED FORCES
COMMAND;
AND COMMANDER, UNITED STATES FORCES KOREA
BEFORE THE
HOUSE APPROPRIATIONS SUBCOMMITTEE ON DEFENSE

March 18, 2015



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1. INTRODUCTION

Mr. Chairman and distinguished members of the Committee, I am honored to testify as the Commander of the multinational United Nations Command (UNC), the combined United States–Republic of Korea (ROK) Combined Forces Command (CFC), and the joint United States Forces Korea (USFK). Thank you for your support of our Service Members, Civilians, Contractors, and their Families who serve our great nation and the U.S.-ROK Alliance. The Asia-Pacific region is critical to our nation’s security and prosperity, and the U.S.-ROK Alliance is indispensable to the stability that enables the region to thrive despite serious threats and challenges. The men and women of this Command are committed every day to each other, our mission, and our nation’s calling. We are very proud of our partnership with the Republic of Korea and of our contributions to stability and prosperity in Korea and the region. The U.S.-ROK Alliance is one of history’s most successful alliances, and we are confident that we can further enhance it to serve both of our nations.

Last year, I testified that the Alliance is strong, but that we would not become complacent in our daily mission to deter and defend against the North Korean threat. I also stated that we would face challenges and opportunities in adapting the Alliance to that threat. Mr. Chairman and distinguished members, I report to you that the Alliance is even stronger today due to our accomplishments in 2014. In 2015, we will build on that momentum based on four guiding Command priorities.

- Sustain and Strengthen the Alliance.
- Maintain the Armistice. Be Ready to “Fight Tonight” to Deter and Defeat Aggression.
- Transform the Alliance.
- Sustain the Force and Enhance the UNC/CFC/USFK Team.

2. ALLIANCE ACCOMPLISHMENTS IN 2014

In 2014, the United States and the Republic of Korea took significant steps to improve our overall

readiness and the strength of the Alliance. We started the year with the annual KEY RESOLVE exercise in February-March, followed by the ULCHI FREEDOM GUARDIAN exercise in August. These annual exercises, along with my personal visits to ROK and U.S. units throughout South Korea, helped me confirm our strengths and note some areas we must improve. The Command's greatest strength rests in the close, collaborative, and cooperative working relationship with not only our ROK ally, but with the larger United Nations Command team.

The strength and importance of the Alliance were highlighted last April by our two Presidents' first visit to CFC. President Park praised the close relationship of the Alliance in the steadfast defense of the Republic of Korea. President Obama called the Alliance "special, forged on the battlefield" and commented that we are "more than allies – we are friends." He also noted that it is "this foundation of trust ... that allows both our nations to thrive economically and socially."

In 2014, we made progress on two initiatives against the growing North Korean missile threat. We further developed our comprehensive Tailored Deterrence Strategy (TDS) to counter the North Korean missile and WMD threats. We also concluded the "Concepts and Principles for Comprehensive Alliance Counter-Missile Operations," with a "4D Strategy" to detect, defend, disrupt, and destroy North Korean missiles. This important step will help us gain important synergies and efficiencies, not only in terms of the capabilities each nation develops, but how we use these capabilities operationally.

Over the past year, our drive to strengthen the Alliance has improved our combined readiness. For example, the U.S. Army began and the U.S. Air Force continued to deploy forces to Korea on a rotational basis. This added commitment complemented units based in Korea, improving overall readiness. Additionally, the ROK Army and Air Force participated in National Training Center and Red Flag exercises in the United States. These challenging exercises improved the Alliance's interoperability and transformed air crews into seasoned veterans.

South Korea made progress in enhancing future warfighting and interoperability capabilities by taking steps toward procuring Patriot Advanced Capability missiles, F35 Joint Strike Fighters, and RQ-4 Global Hawk Surveillance Aircraft. Once integrated into our Alliance force structure, these systems will enhance the capabilities of our Alliance.

We also agreed to establish a U.S.-ROK Combined Division in wartime with a functioning combined staff during Armistice. Once in place later this year, the division will enhance our combined combat posture at the tactical level.

We signed the five-year Special Measures Agreement which established the sharing of costs for stationing U.S. forces in South Korea. ROK contributions through the SMA help maintain the Alliance's readiness and infrastructure to support U.S. forces.

We ended the year with the signing of a much needed trilateral information-sharing arrangement between the United States, South Korea, and Japan. Under this arrangement, our two closest allies in the region can share classified information related to the nuclear and missile threats posed by North Korea. Our strategic and military initiatives in 2014 comprise what we call a "Quality Alliance." We continue to use this concept to focus on military qualities and capabilities, and to provide a framework and context to align senior leadership decision-making.

3. STRATEGIC ENVIRONMENT

Our accomplishments last year advanced U.S. security and prosperity, which are inextricably linked to stability in the Asia-Pacific region. In the 21st century, the Asia-Pacific region is expected to serve as an engine of the global economy, grow in political influence, and remain the focus of a variety of complex security challenges. The troubled history of the region, combined with the dynamic regional security situation, render strong alliances and partnerships critical to our nation's ability to defend our interests. In the face of strategic changes and security threats, and lacking regional security institutions,

the United States serves as the constant that provides presence, stability, and a framework for conflict avoidance and resolution. The United States has taken a vital role in Asia, as it has worldwide, in promoting international cooperation and the effectiveness of international rules and norms. This role is supported by America's enduring military presence, which serves as a foundational and visible element of U.S. leadership and commitment in Asia. In South Korea, forward-deployed American forces stand together with our ROK ally and demonstrate unwavering resolve in the face of the growing North Korean asymmetric threat.

A. CHINA, RUSSIA, AND JAPAN

China is continuing on a comprehensive military modernization program, at times acting assertively to press its interests in the region. China remains North Korea's most significant supporter, even though the relationship has been strained since Kim Jong-un assumed control of North Korea. Russia has increased its focus on the region, including military presence and engagement, in a reassertion of its strategic interests. Meanwhile, Japan is adapting its strategy to allow it to exercise collective self-defense. This change constitutes a natural evolution in Japan's defense policy, and its alliance with the U.S. should reassure the region that by accepting increased defense responsibilities it will contribute to regional and global security and enable a more effective defense of the Korean Peninsula.

B. NORTH KOREA

An unpredictable North Korea remains a significant threat to American interests, the security and prosperity of South Korea, and the stability of the international community. North Korea is willing to use coercion, continue development of nuclear weapons technology and long-range ballistic missile programs, engage in proliferation of arms, missiles and related materiel and technologies, and conduct cyber attacks, all while continuing to deny its citizens the most basic human rights. Due to the strength of the U.S.-ROK Alliance, North Korea lacks the ability to unify the Korean Peninsula by force with its

large but aging conventional military. Recognizing this, North Korea has opted for an asymmetric strategy capable of little to no notice provocations and limited attacks. North Korea's strategy is designed to ensure the survival of the Kim regime, with options to disrupt peninsular, regional, or global security. To achieve this, Kim Jong-un must maintain internal security and a strong military deterrent. North Korea's nuclear program serves both objectives by enhancing domestic regime legitimacy and threatening neighbors and the United States.

What's Changed Since Last Year? North Korea has placed significant emphasis and resources into its asymmetric capabilities, especially its missiles and cyber threats. In 2014, North Korea conducted a series of long-range artillery, rocket, and ballistic missile tests with very little to no notice. During the summer training period, North Korea military units conducted more realistic training and increased activities along the Demilitarized Zone and in the North West Islands region. The North West Islands region - where North and South Korea actively monitor fishing vessels operated by both countries and by China - remains the primary hotspot on the Korean Peninsula. In November, North Korea sought to intimidate and pressure the U.S. media and entertainment industries by projecting its cyber capabilities against Sony Pictures. This was a significant action that demonstrated North Korea's willingness to use cyber-attacks in defiance of international norms.

Provocation and Engagement. North Korea's strategy involves combining provocation and engagement in what is often characterized as coercive diplomacy to pursue objectives that enhance regime survivability. This includes initiatives to compel international acceptance of its nuclear program, play regional actors, including the U.S., against one another, and split alliances, particularly the ROK-U.S. Alliance. North Korea recognizes the strength of the ROK-U.S. Alliance as its greatest threat, so it tries to fracture the Alliance in order to deal with each nation separately on its terms. The North Korean People's Army (KPA) retains the capability to inflict heavy costs on South Korea. However, KPA

senior leaders likely understand it is not capable of defeating the Alliance, despite its propaganda to the contrary. North Korea's asymmetric strategy and capabilities enable limited objective military actions, which have the risk of miscalculation and escalation.

Asymmetric Capabilities. North Korea has conducted three nuclear tests -- in 2006, 2009, and 2013. It continues to prepare its test site and could conduct another test at any time. In recent years, North Korea has continued to develop its asymmetric capabilities including several hundred ballistic missiles, a sizeable long range artillery force, one of the world's largest chemical weapons stockpiles, a biological weapons research program, the world's largest special operations forces, and an active cyber warfare capability. These capabilities can be employed with minimal warning, and threaten South Korea and potentially the United States and Japan.

Since assuming power three years ago, Kim Jong-un has taken a number of confrontational steps to solidify his control over the North Korean people, military, and political apparatus. The regime conducted a satellite launch in December 2012 and conducted its third nuclear test in February 2013, in defiance of United Nations Security Council Resolutions 1718 (2006), 1874 (2009), 2087 (2013), and 2094 (2013). In 2014, North Korea continued to develop its ballistic missile program, conducting no-notice Scud and No Dong missile tests from several launch locations, all violations of UN Security Council resolutions.

These asymmetric capabilities, along with the fourth largest military in the world that is 70-75% forward deployed within 60 miles of the DMZ, challenges the Alliance to assess potential indications of a North Korean provocation or attack.

What Are We Doing to Address the Threat? The Alliance is constantly using readiness, vigilance, and cooperation to counter the North Korean threat. All three Commands – United Nations Command, Combined Forces Command, and U.S. Forces Korea – in close coordination with the ROK military train

and posture our forces and capabilities to deter and defend against North Korea. We continue to press ahead on tailored deterrence, counter-missile capabilities, improving plans, and adding rotational forces and Intelligence, Surveillance, and Reconnaissance (ISR). We have also taken steps to enhance the United Nations Command to increase multinational influence. A strong Alliance and ready military posture continue to provide the opportunity for further diplomatic, political, and economic engagements. The military dimension of national power is fully integrated into larger national efforts to address the North Korean threat, and more broadly to meet U.S. national security objectives in the region.

C. REPUBLIC OF KOREA

The ROK is a dynamic nation of 50 million people in a region critical to U.S. interests, as well as regional and global stability. The ROK's success, the "Miracle on the Han River," is truly remarkable considering that less than 60 years ago it was one of the poorest nations in the world. Emerging from the destruction of the Korean War, the ROK is among the most vibrant democracies and economies in the world. The drive and spirit of the Korean people along with the security provided by our Alliance forces have helped the Korean people propel their country to become an increasingly important and prominent player in the international community and one of America's closest allies.

Politically and economically, the ROK provides an example for other nations seeking to improve the lives of their citizens. Today, South Korea boasts the world's 12th largest economy. With world-class universities and research and development centers, the ROK is also a leader in science and technology, with the world's fastest average internet connection speed. As a nation with growing influence, South Korea is increasing its role in setting the international agenda, to include establishing a series of free trade agreements and hosting international defense talks.

D. UNITED NATIONS COMMAND: THE INTERNATIONAL COALITION IN KOREA

In response to North Korea's invasion of South Korea in 1950, the United Nations Security Council

(UNSC) called for members to provide military forces to South Korea under the leadership of the United States. The UNSC chartered the United Nations Command (UNC) to repel the attack and restore peace and security. In 1953, the UNC, North Korea, and China agreed to an Armistice to halt hostilities. Today, the 18 nation UNC remains an international coalition that maintains the Armistice and contributes to deterrence. If hostilities resume, UNC provides a multinational enabler to ensure broad international support to defend the ROK.

The ROK-U.S. Combined Forces Command is the powerful warfighting command that deters North Korean aggression and leads U.S.-ROK forces in the defense of South Korea. CFC enables us to organize, plan, and exercise U.S. and ROK forces so that the Alliance is ready to “Fight Tonight.”

U.S. Forces Korea, as a sub-unified command of U.S. Pacific Command, is responsible for organizing, training, and equipping U.S. forces on the Peninsula to be agile, adaptable, and ready to support CFC and UNC.

4. ADVANCING SECURITY ON THE KOREAN PENINSULA: PRIORITIES FOR 2015

In the context of the strategic environment I described above, I have four priorities for the Command: first, to sustain and strengthen the Alliance; second, to maintain the Armistice, while remaining ready to “Fight Tonight” to deter and defeat aggression; third, to transform the Alliance; and, finally, to sustain the force and enhance the UNC/CFC/USFK Team. I would like to describe the progress we’ve made over the last year on each of these priorities, and then conclude by looking ahead to how we will continue to build on these successes.

A. Sustain and Strengthen the Alliance

Our national leaders have established the ROK-U.S. Alliance as the linchpin of our common defense of South Korea. Our efforts on this priority have borne much fruit in this last year. We are increasing activities and communications, so that we keep the Alliance at the center of the Command’s actions. By

putting the Alliance first, we will be better able to address Alliance issues to find Alliance solutions.

Strong Relationships. The U.S.-ROK Alliance is based on common values and interests, as well as strong relationships. Taken together with the national security strategies of both of our nations, presidential statements, and legislation, the U.S. is set to continue to be an indispensable strategic partner to the ROK, and the ROK is well poised to be an enduring and increasingly important ally to the U.S. We have shared an uncommon level of trust that has been central to the defense of South Korea, and key to addressing the regional and global implications of North Korea's disruptive behavior. But the Alliance is about much more than North Korea. Together we are working to address a broad range of security challenges, and to also create new opportunities, mechanisms, and initiatives for an enduring peace, stability, and prosperity. Going forward together, we are poised for a shared future of growth and prosperity.

ROK National Security Strategy. The ROK recently promulgated a new national security strategy titled "A New Era of Hope." The strategy seeks to build on the foundation provided by the ROK-U.S. Alliance to pave the way toward peaceful unification and an enhanced international leadership role. The strategy provides a framework for making substantive civil and economic preparations for unification, but keeps in sharp focus the necessity of maintaining a robust defense posture and developing future-oriented capabilities. The strategy also looks outward in terms of enhancing the ROK's relations with other nations and contributing to what the strategy calls "the co-prosperity of humankind."

Republic of Korea Military: A Formidable Force. The ROK military is a modern and capable force with superb leaders. Considering all that is at stake on the Korean Peninsula, we are fortunate to have such a capable ally to tackle challenges and pursue common objectives. In line with the ROK military's growing capabilities, it is proving to be an increasingly valuable partner that contributes to disaster relief, anti-piracy, and non-proliferation operations worldwide. Since South Korea joined the

United Nations in September 1991, it has deployed 40,000 troops all around the world in peacekeeping and assistance missions. In 2014, the ROK military deployed to more than 15 countries in various operations, including an Ebola relief team to West Africa.

- **Military Strategy.** The ROK military strategy continues to call for a rapid and firm response to North Korean provocations, believing such a response is essential to deterrence and self-defense. As I testified last year, I remain concerned about the potential for miscalculation and escalation, so an Alliance response based on timely consultation is the best way to maintain the Armistice and stability.

- **Manning and Budget.** The South Korean military has an active duty force of 639,000 personnel and 2.9 million reservists. South Korea plans to offset a force reduction to 517,000 in the 2020s with better and more high-tech capabilities. In December, the ROK Ministry of National Defense submitted a budget of \$37.09 billion, a 4.9% increase from last year and representing about 2.5% of its GDP.

- **Capabilities and Force Improvement.** South Korea continues to prioritize capabilities and training based on the North Korean threat, but it is also considering other factors such as the defense of sea lines of communication and maritime exclusive economic zones, and building its domestic defense industries.

B. Maintain the Armistice. Be Ready To “Fight Tonight” To Deter and Defeat Aggression

To advance this priority, we must expedite the completion of our plans, enhance BMD posture, and maximize training and exercise opportunities. In order to do those things, we have to provide the combined and joint force in Korea with the best capabilities the Alliance can muster.

U.S. Rotational Forces: Delivering Better Capabilities in Korea. Rotational assets are modular, multi-functional, and operational across the full range of military operations. They enhance our ability to sustain a diverse mix of rapidly deployable capabilities and adapt to a broader range of requirements to defend the Republic of Korea.

The movement of U.S. Air Force fighters into the Pacific has been a routine and integral part of U.S.

Pacific Command's combat capable air forces and regional force posture since March 2004, as has the forward stationing of Air Force bomber assets in the Pacific under the Continuous Bomber Presence initiative. These have maintained a prudent deterrent against threats to regional security and stability.

Eighth Army was among the first units to receive an Attack Reconnaissance Squadron in October 2013, and it will continue to support routine rotational deployments as part of the U.S. rebalancing efforts in the Asia-Pacific region. The decision to rotate units to South Korea represents the Army's commitment to provide mission-ready and culturally attuned capabilities to the region. The rotational deployments to Eighth Army also expose more Army units to the Korean Peninsula, while providing the Alliance with an improved ability to conduct bilateral exercises and improve readiness. These rotations have already achieved results. The 4-6th Attack Reconnaissance Squadron, 16th Combat Aviation Brigade, rotated to Korea from Joint Base Lewis-McChord, WA (October 2013 to June 2014). In nine months, they increased their combat readiness by exercising close combat attack, reconnaissance, and security operations as air and ground forces worked together in a combined arms live-fire environment.

The first brigade-sized unit to support Eighth Army will arrive in June 2015 when the 2nd Armored Brigade Combat Team (ABCT), 1st Cavalry Division from Fort Hood, TX arrives to replace the 1st ABCT, 2nd Infantry Division. This brigade is scheduled to inactivate in July after 50 years of proud service on the Korean Peninsula.

Missile Defense: Countering Growing North Korean Capabilities. The ROK-U.S. Alliance endeavors to strengthen our ability to counter North Korea's growing ballistic missile threat. At the October 2014 Security Consultative Meeting (SCM), the ROK Minister of National Defense and U.S. Secretary of Defense endorsed "Concepts and Principles for Comprehensive Alliance Counter-Missile Operations" or the "4D Strategy." This strategy will posture the Alliance to detect, defend, disrupt, and destroy North Korean ballistic missile threats. This will not only improve Alliance defenses, it will

bolster efforts to deter North Korean WMD and missile use. Further, it will guide operational decision-making, planning, exercises, capability development, and acquisitions. The capabilities include the ROK's "Kill Chain" and Korean Air and Missile Defense System (KAMD), as well as U.S. capabilities on and off Peninsula. The Alliance continues to pursue upgrades and improvements to existing ballistic missile defense capability to include increasing interoperability in systems and procedures.

Tailored Deterrence: Influencing North Korean Decision-Making. The bilateral Tailored Deterrence Strategy (TDS) was created in 2013 to outline a range of Alliance options to influence the North Korean regime's decision making. The strategy focuses on options that raise the cost of North Korean WMD or ballistic missile use; deny the benefits of their use; and encourage restraint from using WMD or ballistic missiles. The strategy provides bilaterally agreed upon concepts and principles for deterring North Korean WMD use and countering North Korean coercion.

Exercises: Enhancing Readiness. Exercising our combined and multinational force is an important component of readiness and is fundamental to sustaining and strengthening the Alliance. Combined Forces Command and ROK Joint Chiefs of Staff (JCS) conduct three annual joint and combined exercises: KEY RESOLVE (KR), FOAL EAGLE (FE), and ULCHI FREEDOM GUARDIAN (UFG). KR and UFG are computer-simulated, theater-level command post exercises that ensure our readiness to respond to provocations, attacks, and instability. UNC routinely invites participation from its 18 Sending States to strengthen Coalition interoperability, while observers from the Swedish and Swiss Delegations of the Neutral Nations Supervisory Commission promote an independent and internationally credible assessment of the defensive nature of these exercises.

C. Transform the Alliance

To achieve transformation, we must synchronize, transform, and re-station the force. We also need to advance theater C4I and cyber capabilities.

Conditions-based Wartime Operational Control Transition. At the 2014 SCM, in light of the evolving security environment in the region including the enduring North Korean nuclear and missile threat, the ROK Minister of National Defense and U.S. Secretary of Defense agreed to implement a conditions-based approach to the transition of wartime operational control (OPCON) from the U.S.-led Combined Forces Command (CFC) to a new ROK-led combined defense command. This will ensure our combined defense remains strong while the ROK develops or acquires the critical military capabilities necessary to assume the lead in its defense.

As a result of this decision, CFC will retain its wartime leadership until the Alliance agrees conditions are met and are conducive for a stable OPCON transition. We will continue to refine our strategy to create adaptive, agile plans and field combined forces that deter and defeat an enemy's provocations, deter aggression, and if deterrence fails, to fight and win.

Additionally, the CFC headquarters will temporarily remain in its current location in Yongsan and maintain the personnel and infrastructure required to command and control the combined force until OPCON transition occurs. Similarly, USFK will keep the U.S. 210th Field Artillery Brigade north of the Han River until the ROK fields a comparable capability.

U.S. Force Relocation: Posturing to Enhance Readiness. To posture forces in support of U.S. and ROK national interests, both governments agreed to consolidate USFK into two enduring hubs south of Seoul near the cities of Pyeongtaek and Daegu. USFK will enhance readiness, improve efficiencies, and further augment Alliance capabilities through two major plans: the Yongsan Relocation Plan (YRP) and the Land Partnership Plan (LPP).

YRP is funded by the ROK government to relocate USFK and UNC from Seoul to U.S. Army Garrison-Humphreys (USAG-H) in Pyeongtaek. LPP consolidates forces from north of Seoul to USAG-H south of Seoul, while still providing access to northern training areas and ranges. The majority of

relocations involves U.S. Army units and supports the Army's Force Generation rotational plan.

The YRP/LPP's \$10.7B transformation program, which includes over 600 facilities, is well underway with over \$1B in construction. The construction at USAG-H has tripled the garrison size. Key construction projects include unit headquarters, motor pools, barracks, family housing, medical facilities, communication centers, a "Midtown Community" complex, schools, installation service facilities, and underground utilities systems. In 2013 and 2014, ROK and U.S. funded projects completed an elementary school, a high school, family housing towers, a child development center, the waste water treatment plant, an airfield operations building, and supporting land fill for garrison expansion. In these efforts, we are particularly attentive to housing needs – to meet our goal of 40% command-sponsored families living on post, so we can maintain readiness and ensure quality of life.

Along with Eighth Army, the Marine Corps Forces Korea (MARFORK) headquarters located in Yongsan will relocate to USAG-H. Commander, U.S. Naval Forces Korea (CNFK) will relocate its headquarters to co-locate with the ROK Fleet Headquarters at Busan in 2015. This will strengthen day-to-day cooperation in the combined naval component, while leveraging the capabilities of nearby Commander Fleet Activities Chinhae, the only U.S. Navy base on the Asian mainland.

For Seventh Air Force at Osan Air Base, USFK will return real estate hosting dilapidated munitions storage areas to the ROK, and in turn the ROK will grant a larger parcel of land to construct new storage facilities which will enhance safety. Also, while not a YRP/LPP initiative, planning has advanced for a new Combined Air and Space Operations Center at Osan, to be funded in large part with host-nation funds, which will ensure a survivable, capable command and control capability for Airpower.

D. Sustain the Force and Enhance the UNC/CFC/USFK Team

To sustain U.S. forces in Korea, we will continue to focus on proper command climates, enforcement of discipline, and comprehensive fitness and wellness. Particularly in the areas of

preventing crime, sexual harassment, and sexual assault, we have been taking proactive steps that have led to a downward trend in incidents. To prevent sexual harassment and sexual assault, the Command Sergeant Major and I conduct regular sensing sessions that provide insights on what leaders need to be more aware of for effective prevention strategies. We are committed to this priority, so we can build trust and readiness to prevail in armistice and the crucible of war.

To enhance the international team in Korea, we have also made important progress. We are expanding UNC participation in exercises. For example, participation during the annual exercise ULCHI FREEDOM GUARDIAN increased from three countries and seven officers in 2009 to seven countries and 153 officers in 2014. Multinational officers also play a critical role on the UNC staff, to include shaping UNC strategy, strategic communication, and other critical functions. This increasingly impactful and visible multinational presence is a clear message from the international community of continued international support for the defense of South Korea and for stability in the region.

5. WHAT WE MUST ACHIEVE

With the progress I have described, there is still much work to do. I am proud to testify that, as a result of the progress we have achieved on the Command's four priorities, our defense is capable and better prepared to respond effectively to any provocation, instability, or aggression.

Our top concern is that we could have very little warning of a North Korean asymmetric provocation, which could start a cycle of action and counter-action, leading to unintended escalation. This underscores the need for the Alliance to maintain a high level of readiness and vigilance, and to do so together.

Critical Capabilities. During the recent SCM, our national leaders reaffirmed their commitment to strengthening the combined defense of South Korea. They also confirmed several critical capabilities the Alliance must improve to ensure continued readiness to respond. These are:

- Intelligence, Surveillance, and Reconnaissance, or ISR.
- Command, Control, Communications, Computers, and Intelligence, or C4I.
- Ballistic Missile Defense, or BMD.
- Critical Munitions.

We must continue to pursue ISR capabilities. The Alliance's ability to distinguish the indications and warnings associated with an impending North Korean asymmetric or conventional attack directly impacts the Alliance's decision space. Investments here can mitigate the risk of miscalculation and escalation by providing a more accurate and timely picture of North Korean actions.

During this past year, South Korea began to invest in new tactical equipment that will comprise a reliable C4I architecture. We must maintain this momentum in improving C4I capabilities and interoperability, so we can communicate from tactical to strategic levels and between units in the field.

Due to the nature of the evolving threat, particularly ballistic missiles, it is critical for the Alliance to build a layered and interoperable BMD capability. Each nation has unique contributions to make to missile defense. While the U.S. has an existing layered BMD capability, the ROK is moving forward in the development of its KAMD and "Kill Chain." It is essential that we work together to ensure interoperability of Alliance BMD capabilities.

In the early phases of hostilities, we will rely on a rapid flow of ready forces into the ROK. During this time, we will rely on U.S. and ROK Air Forces to establish air superiority to defeat North Korean threats which could inflict great damage on Seoul. In order to ensure maximum Alliance capability and interoperability, we will also work closely with the Republic of Korea to ensure it procures the appropriate types and numbers of critical munitions for the early phases of hostilities.

Force Relocation Plans. We will continue executing the Yongsan Relocation Plan and the Land Partnership Plan, and as required, we will work together to refine relocation plans to support the

conditions-based OPCON transition.

Operational Plans. Finally, with CFC retaining its wartime leadership role, we will expedite updating our operational plans. Executable plans will ensure an effective Alliance response to a crisis.

6. CLOSING

2014 was a positive year for the ROK-U.S. Alliance in many respects, even in the face of unpredictable North Korean asymmetric actions. We have been fortunate and thankful for the strong support of all our partners and the priority of resources that allow us to carry out what our Alliance demands of the Command. In 2015, I am looking forward to working with senior U.S. and ROK civilian and military leaders, Ambassador Mark Lippert, ADM Locklear, and the new PACOM Commander as we maintain stability in Korea and the region. The men and women of this multinational, combined, and joint warfighting Command are very thankful for the support from this Committee and the American people which is so crucial in maintaining our readiness against the North Korean threat. We will never lose sight of the fact that we are at “Freedom’s Frontier” defending one of our most important allies and vital American interests. Thank you, and I look forward to our discussion.

[CLERK'S NOTE.—The complete transcript of the hearing could not be printed due to the classification of the material discussed.]



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